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To the Chair South Australian Film Corporation

Opinion

I have audited the financial report of the South Australian Film Corporation 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 South Australian Film Corporation as at 30 June 2025, its financial performance and its 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, the Chief Executive Officer and the Head of Finance.

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 South Australian Film 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 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 South Australian Film Corporation 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 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 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 South Australian Film Corporation Board 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* and section 13(3) of the *South Australian Film Corporation Act 1972*, I have audited the financial report of the South Australian Film Corporation Board 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 South Australian Film Corporation Board'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.

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 South Australian Film Corporation Board 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

26 September 2025

Certification of Financial Statements

We certify that the:

- financial statements for the South Australian Film Corporation:
 - are in accordance with the accounts and records of the South Australian Film Corporation;
 - comply with relevant Treasurer's instructions
 - comply with relevant accounting standards; and
 - present a true and fair view of the financial position of the South Australian Film 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 South Australian Film Corporation for the financial year over its financial reporting and its preparation of financial statements have been effective.



Mike Rann
Chair
25 September 2025



Kate Croser
Chief Executive Officer
25 September 2025



Emma Henderson
Head of Finance
25 September 2025

SOUTH AUSTRALIAN FILM CORPORATION

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2025

	Note No.	2025 \$'000	2024 \$'000
Income			
Grants & funding	3.1	17 332	13 969
Adelaide Studios	3.2	1 449	1 297
Film distribution returns		134	127
Interest	3.3	289	351
Other income	3.4	122	32
Total income		19 326	15 776
Expenses			
Employee related expenses	4.1	2 177	2 256
Production funding	4.2	5 426	4 617
Rebate expenses	4.3	9 686	10 056
Screen Industry Programs	4.4	979	1 304
Supplies and services	4.5	1 412	1 537
Depreciation	5.5	86	106
Total expenses		19 766	19 876
Net result		(440)	(4 100)
Total comprehensive result		(440)	(4 100)

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

SOUTH AUSTRALIAN FILM CORPORATION

STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

	Note No.	2025 \$'000	2024 \$'000
Current assets			
Cash and cash equivalents	5.2	5 782	4 565
Receivables	5.3	2 624	2 103
Revolving loan facility	5.4	498	916
Total current assets		8 904	7 584
Non-current assets			
Equipment	5.6	259	281
Revolving loan facility	5.4	50	50
Total non-current assets		309	331
Total assets		9 213	7 915
Current liabilities			
Payables	6.2	5 265	3 589
Employee related liabilities	6.3	280	144
Contract liabilities		26	11
Total current liabilities		5 571	3 744
Non-current liabilities			
Employee related liabilities	6.3	80	153
Provisions	6.4	47	63
Total non-current liabilities		127	216
Total liabilities		5 698	3 960
Net Assets		3 515	3 955
Equity			
Contributed capital		8 460	8 460
Retained earnings		(4 945)	(4 505)
Total Equity		3 515	3 955

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

SOUTH AUSTRALIAN FILM CORPORATION

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2025

	Note No.	Contributed capital \$'000	Retained earnings \$'000	Total Equity \$'000
Balance at 30 June 2023		8 460	(405)	8 055
Net result from 2023-24			(4 100)	(4 100)
Balance at 30 June 2024		8 460	(4 505)	3 955
Net Result from 2024-25			(440)	(440)
Balance at 30 June 2025		8 460	(4 945)	3 515

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

SOUTH AUSTRALIAN FILM CORPORATION

STATEMENT OF CASH FLOWS

For the year ended 30 June 2025

	Note No.	2025 \$'000	2024 \$'000
Cash flows from operating activities			
Cash inflows			
Grants and funding		17 332	13 969
Adelaide Studios and other income		1 434	599
Revolving Loan Fund repayments		916	-
Supplies and services		636	1 653
GST recovered		1 245	1 542
Interest received		289	351
Cash outflows			
Production funding		(6 051)	(5 125)
Rebate funding		(10 802)	(11 163)
Employee related payments		(2 129)	(2 208)
Screen Industry Programs		(1 091)	(1 448)
Revolving Loan Fund advances		(498)	(685)
Net cash from/(used in) operating activities		1 281	(2 515)
Cash flows from investing activities			
Cash outflows			
Purchase of property, plant and equipment		(64)	(132)
Net cash from/(used in) investing activities		(64)	(132)
Net increase/(decrease) in cash and cash equivalents		1 217	(2 647)
Cash and cash equivalents at the beginning of the period		4 565	7 212
Cash and cash equivalents at the end of the period	5.2	5 782	4 565

The accompanying notes form part of these financial statements.

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1. ABOUT THE SOUTH AUSTRALIAN FILM CORPORATION

The South Australian Film Corporation (SAFC) is a Statutory Authority with a Board, established pursuant to the *South Australian Film Corporation Act 1972*. The responsible Minister is the Minister for Arts.

The SAFC does not control any other entity and has no interests in unconsolidated structured entities. The financial statements and accompanying notes include all the controlled activities of the SAFC.

Administered items are insignificant in relation to the SAFC's overall financial performance and position and are disclosed in Note 9.

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 agency is a not-for-profit entity. The financial statements are prepared based on a 12-month period and presented in Australian currency. The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured.

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 (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.

Assets that are to be sold, consumed or realised as part of the normal 12 month 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 recoverable from, or payable to, the ATO are classified as operating cash flows.

1.2 OBJECTIVES

The purpose of the SAFC is to support, position and champion South Australian screen businesses to achieve creative excellence and prosperity, contributing to a robust South Australian economy and creative vibrancy.

The SAFC optimises opportunities for production and post-production in South Australia through providing financial assistance by way of grants, rebates and loans across 2 key programs of screen industry programs and production funding. The activities within these programs include funding for screen project development and production and industry development initiatives such as workforce development and market attendance.

The SAFC operates the Adelaide Studios which includes production and post-production facilities and long-term tenancies for screen businesses.

The SAFC's principal sources of funds are State Government grants and revenue from the Adelaide Studios operations.

The ongoing activities of the SAFC are dependent on the annual provision of grants from the State Government.

2. BOARD, COMMITTEES AND EMPLOYEES

Following the Machinery of Government change in October 2023 the employing authority for the recruitment of the Chief Executive Officer is the Chief Executive of the Department of the Premier and Cabinet. SAFC employees are appointed by the Chief Executive Officer SAFC under a sub-delegation provided by the Employing Authority under Section 9A(7) of the *South Australian Film Corporation Act 1972*.

The Executive Team comprises the Chief Executive Officer, Head of Corporate, Head of First Nations, Head of Production, Head of Finance and Head of Communications and Marketing.

2.1 KEY MANAGEMENT PERSONNEL

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

Total compensation for key management personnel was \$333,000 (\$324,000)

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

Transactions with key management personnel and other related parties

The Board includes individuals who work within both the local and national screen industry. This is a longstanding historical practice and is consistent with Board composition in similar agencies across Australia. There is a clear and industry accepted benefit for this practice, as practitioners provide important expertise and understanding about financing and production, and strategic insights about the future directions for the SAFC. The SAFC has policies and procedures in place to ensure that potential, perceived and actual conflicts of interest are managed in a robust and transparent manner. Related party treatments are recognised at the time of Board approval.

Channel 44, of which Lauren Hillman is General Manager was paid \$11,716 for filming and editing SAFC events and was paid \$1,500 for a First Nations internship program.

Mostly Fish Pty Ltd, of which the CEO's spouse serves as a company director, was approved by the Board for a grant for \$80,000 from the Screen Production Fund in the 2023-24 Financial Year. \$76,000 of this commitment has been paid in the 2024-25 Financial Year.

2.3 BOARD AND COMMITTEE MEMBERS

Members during the 2024-25 financial year were:

Board

- Hon Mike Rann AC CNZM (Chair)
- Mr Austin Taylor OAM
- Ms Lauren Hillman
- Ms Angela Heesom
- Mr Shouwn Oosting
- Mr Brian Hayes KC
- Ms Rachel Gardner
- Ms Clara Reeves

Finance, Risk & Audit Committee

- Austin Taylor (Chair)
- Angela Heesom
- Bronwyn Gallacher

Reconciliation Action Plan Committee

- Alexandra Knopoff*
- Leanne Saunders*
- Kate Croser*
- Petra Starke*
- Julia Light*
- Kirstie Parker* (commenced April 2025)
- Shouwn Oosting

*In accordance with Premier and Cabinet Circular 016, government employees did not receive any remuneration for Board/committee duties during the financial year.

Board and Committee remuneration

The number of members whose remuneration received or receivable falls within the following bands:	2025 No	2024 No
\$0	7	8
\$1 - \$ 19 999	8	11
Total	15	19

3. INCOME

The SAFC receives income from the State Government, including grant funding from the Department of the Premier and Cabinet under a 3 year Memorandum of Administrative Arrangement. This funding may be supplemented for specific projects during the year where the SAFC annual budget has been exhausted. The SAFC also generates income sourced from the private sector for long term office rentals, the hire of production and post production facilities and from distributions from previous film investments.

SOUTH AUSTRALIAN FILM CORPORATION

3.1 GRANTS AND FUNDING

	2025 \$'000	2024 \$'000
Commonwealth-sourced grants		
Screen Australia funding	31	25
Total Commonwealth-sourced grants	31	25
SA Government grants and funding		
Operating grant revenue	8,363	7,046
Rebate revenue	8 862	6 898
Create SA	76	-
Total grants and funding	17 332	13 969

Grant revenue is granted through a Memorandum of Administrative Arrangement between the Department of the Premier and Cabinet and SAFC, and is recognised in accordance with AASB 1058 as income on receipt.

In addition, the SAFC may secure grant funding from other parts of the South Australian Government such as the Department of the Premier and Cabinet for specific programs. This income is recognised in the relevant activity dependent on the purpose of the program.

The Department of the Premier and Cabinet funds the SAFC to administer the Post Production, Digital and Visual Effect (PDV) Rebate and the Video Game Development (VGD) Rebate.

3.2 ADELAIDE STUDIOS INCOME

	2025 \$'000	2024 \$'000
Studio Hire	923	750
Tenant Rental	244	260
Other	282	287
Total Adelaide Studios income	1 449	1 297

3.3 INTEREST INCOME

	2025 \$'000	2024 \$'000
Deposits with the SA Government Financing Authority (SAFA)	198	291
Other Interest	91	60
Total interest income	289	351

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3.4 OTHER INCOME

	2025 \$'000	2024 \$'000
Audit fees received free of charge	47	-
Sundry income	65	18
Revolving Loan Fund administration fees	10	14
Total other income	122	32

SAFC receives audit services free of charge from the Audit Office of South Australia relating to work performed under the Public Finance and Audit Act 1987. No other services were provided by the Audit Office of South Australia.

4. EXPENSES

4.1 EMPLOYEE RELATED EXPENSES

	2025 \$'000	2024 \$'000
Salaries and wages	1 770	1 762
Superannuation	214	205
Annual leave	127	141
Employment on-costs – other	73	79
Long Service Leave	(19)	(14)
Board and committee fees	28	32
Workers compensation	(16)	51
Total employee related expenses	2 177	2 256

Superannuation

The superannuation employment expense represents the SAFC's contribution to superannuation plans in respect of current services of current employees.

Employee Remuneration

The number of employees whose remuneration received or receivable falls within the following bands.	2025 No	2024 No
\$191,001 to \$211,000	1	1
\$211,001 to \$231,000	-	-
\$231,001 to \$251,000	-	-
\$251,001 to \$271,000	-	-
\$271,001 to \$291,000	-	-
\$291,001 to \$311,000	1	1
Total	2	2

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,

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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 those employees during the 2024-25 year was \$517,559 (\$489,116).

4.2 PRODUCTION FUNDING

	2025 \$'000	2024 \$'000
Production funding	5 426	4 617
Total production funding	5 426	4 617

Production Funding relates to the SAFC contribution towards the production of digital content including drama and documentary screen content. The Screen Production Fund and ABC SAFC Content Pipeline Fund supports the production of outstanding scripted and unscripted content for any screen that generates significant economic outcomes for the South Australian screen industry. Projects funded under this scheme are expected to be substantially produced and post-produced in South Australia. Funding to the production is by way of grant and the SAFC is one of a number of funding partners.

At the point of approval there is always a degree of uncertainty in relation to funding obligations being met. As a result, Production commitments are only recognised as an expense when all the conditions are met for payment of that instalment. Prior to that point the obligations are recognised as contingent liabilities.

4.3 REBATE EXPENSES

	2025 \$'000	2024 \$'000
PDV Rebate	8 931	9 117
VGD Rebate	755	939
Total rebate expenses	9 686	10 056

Post Production, Digital and Visual Effects (PDV) Rebate is production funding that supports post production, and digital and visual effect work undertaken in South Australia and is designed to complement the Australian Federal Government's PDV Offset. Eligible projects may seek a rebate equivalent to 10% of South Australian expenditure on post production, digital and visual effects where the South Australian expenditure is greater than \$250,000.

Video Games Development (VGD) Rebate enables video games studios to claim a percentage of costs incurred to develop a video game in South Australia. Eligible projects may seek a rebate equivalent to 10% of South Australian expenditure on digital video game development where the South Australian expenditure is greater than \$250,000.

Funds are paid out to recipients once a final approval assessment has been satisfactorily undertaken. On final acquittal the SAFC recognises an expense, prior to this the provisional approval amount is recognised as a contingent liability.

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4.4 SCREEN INDUSTRY PROGRAMS

	2025 \$'000	2024 \$'000
Industry development	651	849
Project development	293	426
Production attraction	35	29
Total screen industry programs	979	1 304

Screen industry programs are undertaken by the SAFC to support the skills, capabilities, and business prospects of screen industry practitioners and companies.

At the point of approval there is always a degree of uncertainty in relation to funding obligations being met. As a result, Screen Industry Program commitments are only recognised as an expense when all the conditions are met for payment of that instalment. Prior to that point the obligations are recognised as contingent liabilities.

4.5 SUPPLIES AND SERVICES

	2025 \$'000	2024 \$'000
Utility and communication expenses	152	144
Facility expenses	174	185
Computer and related expenses	116	217
Industry promotion and participations	160	205
Tenant and production recovered charges	235	213
Consultants	143	84
General administrative expenses	128	277
Audit and legal fees	58	58
Staff related expenses	168	114
Minor asset purchase and maintenance	50	8
Travel	28	32
Total supplies and services	1 412	1 537

5. ASSETS

The SAFC's assets comprise production equipment and office equipment. Production equipment is used to undertake sound mixing and recording services and is income generating for the SAFC. Office equipment includes the provision of the IT and phone network for the Adelaide Studios site in addition to traditional office equipment such as desks and chairs. Where this equipment is deployed in the production and office tenancies it contributes to the generation of income for the SAFC.

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5.1 FINANCIAL ASSETS

	Notes	2025 Carrying amount (\$'000)	2024 Carrying amount (\$'000)
Financial assets measured at amortised cost			
Cash and cash equivalents	5.2	5 782	4 565
Contractual receivables	5.3	1 863	219
Revolving Loan Facility	5.4	548	966
Total financial assets		8 193	5 750

Receivables as disclosed in this note do not include statutory amounts as these are not financial instruments.

5.2 CASH AND CASH EQUIVALENTS

	2025 \$'000	2024 \$'000
Short-term deposits with SAFA	5 201	4 462
Cash at bank and on hand	581	103
Total cash and cash equivalents	5 782	4 565

Short-term deposits

Short-term deposits are made for varying periods of between one day and three months. The deposits are lodged with SAFA and earn interest at the respective short-term deposit rates.

The Short-term deposits include cash holdings held by the Corporation for payments to be made in relation to Post Production, Digital and Visual Effects (PDV) Rebate and Video Game Development (VGD) Rebate. Prior to 30 June 2022 the cash was received by the Corporation from the Department of State Development (DSD) at the time the rebates were provisionally approved by the Corporation. The timing of these rebate payments to recipients is uncertain and relies on a final acquittal being provided. Further information on these rebates is disclosed under Note 3.1 Grants & Subsidies and Note 9.2 Contingent Assets and Liabilities.

5.3 RECEIVABLES

	2025 \$'000	2024 \$'000
Contractual receivables		
From non-government entities	434	97
From government entities	1 429	122
Total contractual receivables	1 863	219
Statutory receivables		
GST receivable	704	632
Total statutory receivables	704	632
Prepayments	37	52
Accrued revenue	20	1 200
Total current receivables	2 624	2 103

Contractual receivables arise in the normal course of selling goods and services to other government agencies and to the public. Contractual receivables are normally settled within 30 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 equivalents as well as statutory fees and charges. Statutory receivables are recognised and measured similarly to contractual receivables but are not classified as financial instruments for disclosure purposes. Statutory receivables are not financial assets

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

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

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

5.4 REVOLVING LOAN FACILITY

	2025 \$'000	2024 \$'000
Current	498	916
Non-Current	50	50
Total Revolving Loan Facility	548	966

The SAFC provides Revolving Loan Facility secured loans to eligible film and television producers.

As at 30 June 2025 loans provided were interest bearing and secured, with due regard to the credit worthiness of the producer and its track record for delivery, by a combination of:

- (a) a first ranking security over
 - film distributor's payments (in the case of loans for distribution guarantees);
 - payments by the federal Government through its Producer Offset Scheme (in the case of producer offset loans);
 - payments from the South Australian government (in the case of South Australian PDV loans).

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- (b) a further security interest over the producer's company entitlement to gross proceeds from exploitation of the film;
- (c) where the borrower is a special purpose vehicle (SPV) created solely for the production of the film, surety provided by the parent company in the form of a Deed of Guarantee.

There were no impaired loans in 2025 or 2024.

5.5 USEFUL LIFE AND DEPRECIATION OF NON-FINANCIAL ASSETS

Depreciation

	2025 \$'000	2024 \$'000
Office equipment	78	82
Production equipment	8	24
Total depreciation	86	106

Useful life

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

Class of asset	Useful Life (years)
Production equipment	3-25
Office equipment	3-20

Review of accounting estimates

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

Initial recognition

Non-current tangible assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition.

Where assets are acquired at no value, or minimal value, they are recorded at fair value in the Statement of Financial Position.

Revaluation

Non-current tangible assets are subsequently measured at fair value after allowing for accumulated depreciation. Revaluation of non-current assets or a group of assets is only performed when the fair value at the time of acquisition is greater than \$1.5M and estimated useful life is greater than three years.

Equipment has not been revalued in accordance with APS 116.E. The carrying amount of these items are deemed to be approximate fair value.

Fair Value

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.

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Impairment

Equipment has not been assessed for impairment as they are non-cash generating assets, that are specialised in nature and held for continued use of their service capacity and are subject to regular stocktake and visual inspection. There is no evidence of impairment.

Reconciliation 2024-25

	Production equipment \$'000	Office equipment \$'000	Total \$'000
Carrying amount at the beginning of the period	22	259	281
Acquisitions	-	64	64
Depreciation	(8)	(78)	(86)
Carrying amount at the end of the period	14	245	259

5.6 EQUIPMENT

	2025 \$'000	2024 \$'000
Production Equipment		
Production equipment at cost (deemed fair value)	1 188	1 188
Accumulated depreciation at the end of the period	(1 174)	(1 166)
Total production equipment	14	22
Office Equipment		
Office equipment at cost (deemed fair value)	1 471	1 407
Accumulated depreciation at the end of the period	(1 226)	(1 148)
Total office equipment	245	259
Total equipment	259	281

Equipment with a value equal to or in excess of \$2,000 is capitalised, otherwise it is expensed.

5.7 PROPERTY LEASED BY THE SAFC

Property leased by the SAFC is recorded at cost.

A concessionary lease is held with the Premier for the Adelaide Studio precinct located at Glenside. The building is used to enable the operation of the Adelaide Studios and to support, encourage and facilitate creative industries including but not limited to film, television, audio-visual production, investment and development and ancillary purposes. Without the supply of this lease at concessionary terms, the SAFC would incur costs for an alternative property to deliver its objectives.

The lease commenced on 1 July 2011 and expires on 30 June 2036. Rent of \$1 for the term of the lease is payable if demanded.

6. LIABILITIES**6.1 FINANCIAL LIABILITIES**

	Notes	2025 Carrying amount (\$'000)	2024 Carrying amount (\$'000)
Financial liabilities measured at amortised cost			
Contractual payables	6.2	4 531	2 071
Total financial liabilities		4 531	2 071

6.2 PAYABLES

	2025 \$'000	2024 \$'000
Current		
Contractual payables	4 531	2 071
Accrued expenses	734	1 518
Total current payables	5 265	3 589

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

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

Creditors at 30 June 2025 are higher than the prior year due to invoices received at year end relating to PDV & VGD Rebate, Screen Production Fund and Industry Development (\$4.228m).

6.3 EMPLOYEE RELATED LIABILITIES

	2025 \$'000	2024 \$'000
Current		
Accrued salaries and wages	74	-
Annual leave	102	109
Long service leave	62	17
Employment on-costs	42	18
Total current employee related liabilities	280	144
Non-current		
Long service leave	67	129
Employment on-costs	12	24
Total non-current employee related liabilities	79	153
Total employee related liabilities	359	297

SOUTH AUSTRALIAN FILM CORPORATION

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

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. The expected timing and amount of long service leave payments is determined through whole-of-government actuarial calculations, which are based on actuarial assumptions on expected future salary and wage levels, experience of employee departures and periods of services. These assumptions are based on employee data over SA Government entities.

The discount rate used in measuring the liability is another key assumption. The discount rate used is the yield on long-term Commonwealth Government bonds. The yield on long-term Commonwealth Government bonds has remained unchanged from 2024 at 4.25%.

For current portion of employee related liabilities reflects the amount for which the SAFC does not have right to defer settlement for at least 12 months after reporting date. For long service leave, the amount relates to leave approved before year end that will be taken within 12 months, expected amount of leave to be approved and taken by eligible employees within 12 months, and expected amount of leave to be paid on termination to eligible employees within 12 months.

Employment liability on-costs

Employment on-costs include payroll tax and superannuation contributions. They are settled when the respective employee benefits that they relate to is discharged. These on-costs primarily relate to the balance of leave owing to employees.

The SAFC contributes to several externally managed and State Government 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 report 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 unchanged at 44%. The average factor for the calculation of employer superannuation cost on-costs has increased to 12% (2024: 11.5%). These rates are used in the employment on-cost calculation.

6.4 PROVISIONS

	Workers Compensation 2025 \$'000
<i>Movement in provisions</i>	
Carrying amount at the beginning of the period	63
Remeasurement	(16)
Amounts used	-
Carrying amount at the end of the period	47

The SAFC has no open workers compensation claims.

A provision has been reported to reflect unsettled workers compensation claims. The workers compensation provision is based on actuarial assessment of DPC 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 SAFC is responsible for the payment of workers compensation claims.

7. CHANGES IN ACCOUNTING POLICY

No changes in accounting policy impacted the 2024-25 Financial Statements.

8. OUTLOOK

8.1 UNRECOGNISED COMMITMENTS

There were no unrecognised contractual commitments as at 30 June 2025 or 30 June 2024.

8.2 CONTINGENT LIABILITIES

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. Where production and screen industry program funding has been approved and the applicant has been advised the total funding is recorded as a contingent liability until there is evidence that the specific milestone requirements have been achieved. At this time, the milestone amounts are recognised as expenses.

All provisional approvals of PDV and VGD Rebates are recognised as contingent liabilities. Once the final acquittals have been approved an invoice is raised to DPC for the rebate funding reimbursement and the amounts are recognised as expenses.

	2025	2024
	\$'000	\$'000
Contingent Liabilities		
Production funding	854	2 491
Rebate funding	9 847	9 265
Screen Industry programs	71	172
Total contingent liabilities	10 772	11 928

The South Australian Film Corporation (SAFC) currently leases land from the Department of the Premier and Cabinet (DPC) that is subject to pending litigation in respect of unpaid council rates. The arrangements between SAFC and DPC may have right of recourse for DPC to recover any rates from SAFC. This contingent liability cannot be reliably measured as at 30 June 2025.

8.3 EVENTS AFTER THE REPORTING PERIOD

Revolving Loan Facility

A loan of \$497,894 has been repaid in July 2025.

9. ADMINISTERED ITEMS

The SAFC previously provided a service to producers for disbursing investment returns to investors (non-SAFC titles) in addition to managing the disbursement of investment returns for SAFC titles. The SAFC has acquitted all disbursement of non SAFC titles and the balances below reflect the funds held in relation to SAFC titles only.

The SAFC does not have control of, or discretion to apply these investment returns towards achieving the SAFC's objectives unless the SAFC is contractually entitled to a proportion of these funds, generally as the original producer of these titles. Therefore, prior to reconciliation, disbursement returns are not recognised in the financial statements but are reflected below.

Once the SAFC has determined the quantum that may be attributable to the SAFC as producer of these titles these funds are transferred to the SAFC controlled accounts and reflected as Investment Returns in the Statement of Comprehensive Income. Funds that are due to other investors of SAFC titles are disbursed directly from the accounts below.

	2025	2024
	\$'000	\$'000
Disbursement Returns Account		
Balance at 1 July	211	187
Add:		
Royalties and distribution advances	70	36
Less:		
Disbursements to SAFC	(35)	(12)
Balance at 30 June	246	211