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To the Chair Adelaide Festival Centre Trust

Opinion

I have audited the financial report of the Adelaide Festival Centre Trust for the financial year ended 30 June 2026.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Adelaide Festival Centre Trust as at 30 June 2026, 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 2026
- a Statement of Financial Position as at 30 June 2026
- a Statement of Changes in Equity for the year ended 30 June 2026
- a Statement of Cash Flows for the year ended 30 June 2026
- 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. 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 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 for the financial year ended 30 June 2026.

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.

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

28 September 2026

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
23 September 2026



.....
Steven Woolhouse
Chief Financial Officer/Chief Operating Officer
23 September 2026



.....
The Honourable Karlene Maywald
Chair
23 September 2026

Adelaide Festival Centre Trust

Statement of Comprehensive Income
for the year ended 30 June 2026

	Note	2026 \$'000	2025 \$'000
Income			
SA Government grants, subsidies and transfers	3.1	20,084	19,373
Sales of goods and services	3.2	21,971	26,209
Other income	3.3	30,646	5,806
Total income		72,701	51,388
Expenses			
Employee related expenses	4.1	22,641	22,609
Supplies and services	4.2	18,564	19,309
Depreciation and amortisation	5.5, 5.6, 5.9	10,624	9,642
Borrowing costs		3,370	3,796
Other expenses	4.3	1,319	923
Total expenses		56,518	56,279
Net result		16,183	(4,891)
Other comprehensive income			
Changes in asset revaluation surplus	5.5	17,721	21,246
Total other comprehensive income		17,721	21,246
Total comprehensive result		33,904	16,355

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

Adelaide Festival Centre Trust

Statement of Financial Position
as at 30 June 2026

	Note	2026 \$'000	2025 \$'000
Current assets			
Cash and cash equivalents	5.1	13,412	34,260
Receivables	5.2	1,889	1,987
Inventories	5.3	273	180
Total current assets		15,574	36,427
Non-current assets			
Property, plant and equipment	5.5	283,440	228,246
Works of art	5.8	24,883	24,883
Intangible assets	5.9	82	103
Total non-current assets		308,405	253,232
Total assets		323,979	289,659
Current liabilities			
Payables	6.1	2,898	2,933
Other financial liabilities	6.2	152	249
Employee related liabilities	6.3	2,180	2,177
Provisions	6.4	81	61
Other non-financial liabilities	6.5	1,624	824
Total current liabilities		6,935	6,244
Non-current liabilities			
Other financial liabilities	6.2	61,598	61,750
Employee related liabilities	6.3	2,474	2,666
Provisions	6.4	285	206
Other non-financial liabilities	6.5	174	184
Total non-current liabilities		64,531	64,806
Total liabilities		71,466	71,050
Net assets		252,513	218,609
Equity			
Asset revaluation surplus		72,432	54,711
Contributed capital		149,999	149,999
Retained earnings		30,082	13,899
Total Equity		252,513	218,609

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 2026

	Note	Contributed capital \$ '000	Asset revaluation surplus \$ '000	Retained Earnings \$ '000	Total Equity \$ '000
Balance at 1 July 2024		149,999	33,465	18,790	202,254
Net result from 2024-25		-	-	(4,891)	(4,891)
Gain on revaluation of property, plant & equipment		-	21,246	-	21,246
Total comprehensive result for 2024-25		-	21,246	(4,891)	16,355
Balance at 30 June 2025		149,999	54,711	13,899	218,609
Net result from 2025-26		-	-	16,183	16,183
Gain on revaluation of property, plant & equipment	5.5	-	17,721	-	17,721
Total comprehensive result for 2025-26		-	17,721	16,183	33,904
Balance at 30 June 2026		149,999	72,432	30,082	252,513

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

Adelaide Festival Centre Trust

Statement of Cash Flows
for the year ended 30 June 2026

	Note	2026 \$'000	2025 \$'000
Cash flows from operating activities			
Cash inflows			
Receipts from SA Government grants, subsidies and transfers		20,084	19,373
Receipts from patrons and customers		24,095	26,791
Increase in funds held on behalf of promoters		854	-
Interest received		1,122	1,844
GST recovered		1,352	262
Other receipts		962	3,399
Cash outflows			
Employee related payments		(22,710)	(22,497)
Payments for supplies and services		(21,381)	(20,275)
Interest paid		(3,370)	(3,796)
GST paid		(261)	(547)
Other payments		(504)	(889)
Net cash from operating activities		243	3,665
Cash flows from investing activities			
Cash outflows			
Purchase of property, plant and equipment & works of art		(20,842)	(3,086)
Net cash used in investing activities		(20,842)	(3,086)
Cash flows from financing activities			
Cash outflows			
Repayment of lease liability		(249)	(248)
Net cash used in financing activities		(249)	(248)
Net increase(decrease) in cash and cash equivalents		(20,848)	331
Cash and cash equivalents at the beginning of the period		34,260	33,929
Cash and cash equivalents at the end of the period	5.1	13,412	34,260

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*. The Trust controlled the Adelaide Festival Centre Foundation (the Foundation) until 25 July 2025.

On 25 July 2025, the Trust ceased to control the Foundation. Consequently, the financial statements and accompanying notes of the Trust (including the comparative results for 2024-25) no longer include activities of the Foundation.

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 and the Chief Financial Officer/ Chief Operating Officer. Total compensation for key management personnel was \$1.18m (\$0.89m). Compensation for the 2025-26 financial year includes the payout of leave entitlements to the former Chief Executive Officer/Artistic Director.

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 other entities that are controlled, jointly controlled or significantly influenced by the South Australian 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.

The Adelaide Festival Centre Foundation is incorporated under the Associations Incorporation Act 1985 and was established to support the Trust in making the arts accessible to all South Australians. During 2025-26, the Trust received \$371,030 (2024-25: \$1,635,934) from the Foundation to support artistic programs; however, no amounts were received in 2025-26 prior to the Foundation ceasing to be a related party.

2.2 Board and committee members

The Trustees during the 2025-26 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 members of the Risk and Audit Committee during the 2025-26 financial year were:

Mr Bruce Carter AO (Committee Chair)
Ms Alexandra Cannon OAM
Ms Penny Griggs

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

Board and committee remuneration

	2026	2025
\$1 - \$19,999	8	8
Total number of members	8	8

The total remuneration received or receivable by members was \$29,311 (\$28,910). 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 SA government grants and subsidies, 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

	2026	2025
	\$'000	\$'000
Operating grant	19,582	17,728
Other SA Government revenue	502	1,645
Total intra-government transfers	20,084	19,373

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

	2026	2025
	\$'000	\$'000
Theatre services	10,231	13,087
Ticketing	3,783	4,223
Box office	3,320	2,698
Sponsorship	627	832
Catering and functions	4,010	5,369
Total sales of goods and services	21,971	26,209

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

	2026	2025
	\$'000	\$'000
Grants - Non SA Government	122	530
Lease rent	213	233
Interest	1,168	1,844
Services received free of charge	54	53
Assets from DIT received free of charge	908	510
Assets from DPC received free of charge	27,554	-
Sundry income	627	2,636
Total other income	30,646	5,806

Goods/services received free of charge primarily comprise donated assets received from DPC and the Department of Infrastructure and Transport (DIT) in relation to the ongoing Adelaide Festival Centre redevelopment. Further donated assets are expected to be received in future reporting periods as the redevelopment continues. Sundry income includes irregular incomes which cannot reasonably be classified in the other classifications.

4. Expenses

4.1 Employee related expenses

	2026	2025
	\$'000	\$'000
Salaries and wages	17,298	17,690
Targeted voluntary separation packages	189	-
Long service leave	383	421
Annual leave	1,066	1,087
Superannuation	2,099	2,035
Board fees	27	29
Other employee related expenses	1,579	1,347
Total employee related expenses	22,641	22,609

Superannuation

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

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Employee remuneration

The number of staff whose remuneration received or receivable falls within the following bands:	2026	2025
\$171,001 to \$177,000*	N/A	4
\$177,001 to \$197,000	3	1
\$197,001 to \$217,000	1	-
\$217,001 to \$237,000	1	-
\$317,001 to \$337,000	-	1
\$337,001 to \$357,000	1	-
\$357,001 to \$377,000	1	-
\$437,001 to \$457,000	1	-
\$517,001 to \$537,000	-	1
Total	8	7

* This band has been included for the purpose of reporting comparative figures based on the executive base level remuneration rate for 2024-25

The above table includes the payout of leave entitlements and performance bonus for the former Chief Executive Officer/Artistic Director.

Table 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 \$2.12m (\$1.74m).

Targeted voluntary separation packages (TVSPs)

The number of employees who received a TVSP and Redundancy payments during the reporting period was 2 (0).

	2026 \$'000	2025 \$'000
Amount paid/payable to separated employees:		
Targeted voluntary separation packages	128	-
Leave paid to separated employees	61	-
Net cost to the trust	189	-

4.2 Supplies and services

	2026 \$'000	2025 \$'000
Accommodation	4,960	5,202
Artistic production	4,448	5,723
Advertising and marketing	1,316	1,365
Supplies	2,064	2,396
Communications and IT	1,776	1,545
Professional expenses	912	1,236
Repairs and maintenance	2,667	1,333
Travel and entertainment	291	338
Sponsorship	88	131
Bank and credit charges	42	40
Total supplies and services	18,564	19,309

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 \$91,800 (\$70,800). No other services were provided by the Audit Office of South Australia.

4.3 Other expenses

	2026 \$'000	2025 \$'000
Net loss from disposal of property, plant and equipment	196	34
Doubtful Debt expense	565	-
Other	558	889
Total other expenses	1,319	923

5. Assets

5.1 Cash and cash equivalents

	2026	2025
	\$'000	\$'000
Cash at bank and on hand	12,558	34,260
Cash held in trust for promoters and patrons	854	-
Total cash and cash equivalents	13,412	34,260

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. 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

	2026	2025
	\$'000	\$'000
Current		
Trade receivables		
From government entities	447	53
From non-government entities	1,128	492
Less impairment loss on receivables	(609)	-
Total trade receivables	966	545
Statutory receivables		
GST input tax recoverable	(143)	11
Total statutory receivables	(143)	11
Prepayments	22	48
Accrued revenues	1,044	1,383
Total current receivables	1,889	1,987

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 Inventories

	2026	2025
	\$'000	\$'000
Materials at cost	273	180
Total inventories	273	180

Cost of inventories

Inventories are measured at the lower of cost and net realisable value.

5.4 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.

5.5 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 2025-26							
Carrying amount at the beginning of the period	66,230	100,179	47,667	11,503	2,306	361	228,246
Donated asset from DIT & DPC	-	27,946	516	-	-	-	28,462
Acquisitions	-	-	-	189	19,628	-	19,817
Revaluation increment	-	16,353	1,368	-	-	-	17,721
Depreciation	-	(6,814)	(1,599)	(1,925)	-	(227)	(10,565)
Derecognition of asset	-	-	-	(241)	-	-	(241)
Transfers between asset classes	-	18,542	-	3,263	(21,805)	-	-
Carrying amount at the end of the period	66,230	156,206	47,952	12,789	129	134	283,440

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

5.6 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

Due to the redevelopment of the Adelaide Festival Centre during 2025-26, an expert valuation of the buildings and public realm improvements was carried out at 30 June 2026. Assets were valued using a market approach to valuation, and where market inputs were not readily observable, the cost approach to valuation was adopted.

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

Plant and equipment

An expert 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.

5.7 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 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) The lease measurement has been based on the non-cancellable lease term only, with the renewal option periods excluded from the assessment. The annual lease payment is \$152,754 in the 2026-27 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.

5.8 Works of art

	2026 \$'000	2025 \$'000
Works of art at fair value	24,883	24,883
Total works of art	24,883	24,883

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.

5.9 Intangible assets

Reconciliation 2025-26	Purchased computer software \$'000
Carrying amount at 1 July 2025	103
Amortisation	(21)
Carrying amount at 30 June 2026	82

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6. Liabilities

6.1 Payables

	2026	2025
	\$'000	\$'000
<u>Current</u>		
Contractual Payables	529	1,228
Accrued expenses	1,423	1,634
Amounts payable to promoters and patrons	854	-
<u>Statutory payables</u>		
Accrued audit fee	92	71
Total current payables	2,898	2,933
Total payables	2,898	2,933

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

	2026	2025
	\$'000	\$'000
<u>Current</u>		
Lease liabilities	152	249
Total current borrowings	152	249
<u>Non-current</u>		
Borrowings from SA Government	61,598	61,598
Lease liabilities	-	152
Total non-current borrowings	61,598	61,750
Total borrowings	61,750	61,999

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 4.75% as at June 2026 (4.25% as at June 2025). 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 5.7.

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Future lease payment maturity analysis

	2026 \$'000	2025 \$'000
Not later than one year	152	254
Later than one year but not longer than five years	-	152
Total future lease payments	152	406

The future lease payments are not presented as the current lease expires in June 2027 and the right of renewal has not been exercised at this stage.

6.3 Employee related liabilities

	2026 \$'000	2025 \$'000
Current		
Annual leave	992	1,120
Long service leave	261	114
Accrued salaries and wages	641	492
Skills and experience retention leave	66	123
Employment on-costs	220	328
Total current employee related benefits	2,180	2,177
Non-current		
Long service leave	2,239	2,413
Employment on-costs	235	253
Total non-current employee related liabilities	2,474	2,666
Total employee related liabilities	4,654	4,843

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 increased from 2025 (4.25%) to 2026 (4.75%).

The increase in the bond yield and actuarial assumptions and methodology resulted in a \$82,569 decrease in the reported long service leave liability.

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% (2025: 44%) and the average factor for the calculation of employer superannuation cost on-costs has remained constant at the rate of 12% (2025: 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% (2025: 3.5%) for the long service leave liability.

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6.4 Provisions

	2026 \$'000	2025 \$'000
<u>Current</u>		
Provision for workers compensation	81	61
Total current provisions	81	61
<u>Non-current</u>		
Provision for workers compensation	285	206
Total non-current current provisions	285	206
Total provisions	366	267

Movement in provisions

	2026 \$'000
Carrying amount at the beginning of the period	267
Additional provisions recognised	96
Revaluation of claims	3
Carrying amount at the end of the period	366

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 2026, 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

	2026 \$'000	2025 \$'000
<u>Current</u>		
Venue hire deposits	1,114	523
Income in advance	499	290
Unclaimed monies	11	11
Total current other liabilities	1,624	824
<u>Non-current</u>		
Venue hire deposits	174	184
Total non-current other liabilities	174	184
Total other liabilities	1,798	1,008

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

	2026	2025
	\$'000	\$'000
Not later than one year	3,934	3,741
Later than one year but not longer than five years	3,169	6,148
Total expenditure commitments	7,103	9,889

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

	2026	2025
	\$'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	189	186
Later than one year but not longer than five years	793	501
Later than five years	1,575	561
Total future lease receivables expected from operating leases	2,557	1,248

The Trust has a 10 year (plus two 5 year extensions) 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%. Prior year reported income has been amended to take into account the two 5 year extensions.

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 future lease receivables from operating leases are not recognised on the 2025-26 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.

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

There were no events between 30 June 2026 and the date the financial statements are authorised for issue where the events may have a material impact on the results of subsequent years.