



Level 9
State Administration Centre
200 Victoria Square
Adelaide SA 5000
Tel +618 8226 9640
ABN 53 327 061 410
enquiries@audit.sa.gov.au
www.audit.sa.gov.au

To the Chair Adelaide Festival Corporation

Opinion

I have audited the financial report of the Adelaide Festival Corporation 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 Corporation 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, the Executive Director and the Chief Financial Officer.

Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my report. I am independent of the Adelaide Festival 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 Executive Director and members of the Board for the financial report

The Executive Director 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 Executive Director 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 Executive Director 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 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 19(3) of the *Adelaide Festival Corporation Act 1998*, I have audited the financial report of the Adelaide Festival Corporation 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 Corporation's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Director
- conclude on the appropriateness of the Executive Director'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 Executive Director and the Chair 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 2026

Certification of the Financial Statements

We certify that the:

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



Julian Hobba
Executive Director



Karishma Reynolds
Chief Financial Officer



Judy Potter
Chair

Date 28 September 2026

Adelaide Festival Corporation
Financial Statements For the year ended 30 June 2026

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2026

	Note No.	2026 \$'000	2025 \$'000
Income			
Grants and subsidies	2.1	11,507	9,976
Box Office sales	2.2	3,535	4,115
Other sales		-	409
Interest		210	222
Other income	2.3	1,662	1,810
Sponsorship	2.4	1,365	1,660
Foundation Adelaide Festival donation	2.5	300	800
Resources received free of charge	2.6	46	47
Total income		18,625	19,039
Expenses			
Employee related expense	3.3	5,024	5,126
Supplies and services	4.1	13,260	13,126
Depreciation and amortisation	5.6, 5.7, 5.8	225	305
Borrowing costs		3	10
Total expenses		18,512	18,567
Net result		113	472
Total comprehensive result		113	472

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 Corporation
Financial Statements For the year ended 30 June 2026

STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Note No.	2026 \$'000	2025 \$'000
Current assets			
Cash and cash equivalents	5.1, 5.2	1,972	909
Receivables	5.3	499	1,002
Total current assets		2,471	1,911
Non-current assets			
Property, plant and equipment	5.4, 5.5&5.7	214	419
Intangible Assets	5.8	-	20
Total non-current assets		214	439
Total assets		2,685	2,350
Current liabilities			
Payables	6.1. 6.2	367	184
Financial liabilities	6.3	65	191
Employee related liabilities	6.4	356	361
Provisions	6.5	36	21
Contract Liabilities	6.6	214	14
Total current liabilities		1,038	771
Non-current liabilities			
Financial liabilities	6.3	-	65
Employee related liabilities	6.4	378	347
Provisions	6.5	71	82
Total non-current liabilities		449	494
Total liabilities		1,487	1,265
Net Assets		1,198	1,085
Equity			
Retained earnings		1,198	1,085
Total Equity		1,198	1,085

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

Adelaide Festival Corporation
Financial Statements For the year ended 30 June 2026

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2026

	Retained earnings \$'000	Total Equity \$'000
Balance at 1 July 2024	613	613
Net Result for 2024-25	472	472
Total Comprehensive Result for 2024-25	472	472
Balance at 30 June 2025	1,085	1,085
Net Result for 2025-26	113	113
Total Comprehensive Result for 2025-26	113	113
Balance at 30 June 2026	1,198	1,198

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

Adelaide Festival Corporation
Financial Statements For the year ended 30 June 2026

STATEMENT OF CASH FLOWS

For the year ended 30 June 2026

	Note No.	2026 \$'000	2025 \$'000
Cash flows from operating activities			
Cash inflows			
Receipts from Grants and subsidies	2.1	11,507	9,976
Receipts from customers, sponsors, donors and others		7,036	8,800
Interest received		210	222
GST recovered from the ATO		483	-
Cash outflows			
Employee related payments		(5,081)	(5,268)
Payments for supplies and services		(12,898)	(13,165)
Interest paid		(3)	(11)
GST paid to the ATO		-	(181)
Net cash provided by operating activities		1,254	373
Cash flows from investing activities			
Purchase of plant and equipment		-	(62)
Net cash used in investing activities		-	(62)
Cash flows from financing activities			
Repayment of principal portion of lease liabilities		(191)	(175)
Net cash used in financing activities		(191)	(175)
Net increase/(decrease) in cash and cash equivalents		1,063	136
Cash and cash equivalents at the beginning of the period		909	773
Cash and cash equivalents at the end of the period	5.1	1,972	909

The accompanying notes form part of these financial statements.

Adelaide Festival Corporation
Notes to the Financial Statements For the year ended 30 June 2026

1. About the Adelaide Festival Corporation

The Adelaide Festival Corporation (the Corporation) was established pursuant to the *Adelaide Festival Corporation Act 1998*. Our vision is to be recognised nationally and internationally, as one of the world's greatest large-scale, multi-arts festivals that:

- brings to its audience the power of great art;
- pursues new creative horizons;
- places Adelaide at the centre of Australia's cultural life;
- creates a transformational impact on our city, making art central to the culture of our society.

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

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*;
- Treasurers 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 Corporation 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.

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.

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 that are recoverable from, or payable to, the ATO are classified as operating cash flows.

Assets and liabilities that are to be sold, consumed or realised as part of the normal 12-month operating cycle have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

Adelaide Festival Corporation
Notes to the Financial Statements For the year ended 30 June 2026

1.2. Objectives and programs

The functions of the Corporation, as prescribed under the *Adelaide Festival Corporation Act 1998*, are to:

- (a) Conduct in Adelaide and other parts of the State the multifaceted arts event that is known as the Adelaide Festival of Arts;
- (b) Continue and further develop the Adelaide Festival of Arts as an event of international standing and excellence;
- (c) Conduct or promote other arts events and activities;
- (d) Provide advisory, consultative, managerial or support services within areas of the Corporation's expertise;
- (e) Undertake other activities that promote the arts or public interest in the arts, or that otherwise involve an appropriate use of its resources; and
- (f) Carry out other functions assigned to the Corporation by or under the *Adelaide Festival Corporation Act 1998* or any other Act, or by the Minister.

2. Income

The 2026 Festival program achieved the targeted box office with ticketed attendance this year being 49,458. The level of funding from SA Government increased as a percentage of total income with the total overall contribution from the SA Government to the Festival Program being 61.2% (2025: 51.8%) of total income.

2.1. Grants and subsidies

	2026	2025
	\$'000	\$'000
SA Government grants	11,393	9,842
Commonwealth-sourced grants	51	100
Overseas Government grants	63	34
<i>Non-SA Government grants</i>	114	134
Total grants and subsidies	11,507	9,976

Revenues from Governments mainly relate to a recurring annual operating grant with the Department of the Premier and Cabinet (DPC) through a Memorandum of Administrative Arrangement (MOAA). The Corporation has concluded that the MOAA (which forms majority of the SA Government grant above) does not contain sufficiently specific performance obligations, therefore the grant funding is recognised under AASB 1058 upon receipt.

Adelaide Festival Corporation
Notes to the Financial Statements For the year ended 30 June 2026

2.2. Box Office Sales

	2026	2025
	\$'000	\$'000
Ticketek	1,772	1,969
Tessitura	1,731	2,146
Other	32	-
Total box office	3,535	4,115

A contract is established when a customer purchases a show ticket. The performance obligation is to deliver the show on time. As such, all the box office sales are recognised as a revenue under AASB15 upon completion of the show.

All ticket sales for Adelaide Festival Centre Trust venues are purchased by the public through Ticketek but the Corporation is also able to use its own ticketing system to sell tickets for all other venues, where no ticketing contract exists.

2.3. Other income

	2026	2025
	\$'000	\$'000
Sundry	710	762
Friends' membership	100	99
Donations	852	949
Total other income	1,662	1,810

The Corporation engaged volunteers to provide ushering and information services during the Festival events. These services were not recognised because they did not form a core part of the Festival program and services of this nature would not have otherwise been purchased.

Friends' membership and sundry income are recognised under AASB 15. Sundry income for 2025-26 included ticketing fees and co-presented fees that are recognised as income once the applicable show has been performed.

Donations are recognised upon receipt under AASB 1058.

2.4. Sponsorship

	2026	2025
	\$'000	\$'000
Sponsorship – Cash	814	978
Sponsorship – In-kind	551	683
Total sponsorship	1,365	1,660

Expenses related to in-kind sponsorship have been recognised in supplies and services.

Adelaide Festival Corporation
Notes to the Financial Statements For the year ended 30 June 2026

For multiple year sponsorships with funding received in advance, the Corporation recognises revenue over time when its performance obligations are satisfied at the end of each festival. There are no such advances in the 2025-26 year.

2.5 Foundation Adelaide Festival Donation

	2026 \$'000	2025 \$'000
Donation from Foundation Adelaide Festival	300	800
Total Donation	300	800

The Foundation Adelaide Festival is a charitable institution operating in Australia to establish, maintain and act as Trustee of a public ancillary fund known as 'The Foundation Adelaide Festival Public Ancillary Fund', solely for the purpose of providing money, property or benefits to the Adelaide Festival Corporation. Under the Governance and Relationship Structure, an annual donation is made from the Foundation to the Adelaide Festival Corporation, based on funds raised across various campaigns through annual giving.

2.6 Resources received free of charge

	2026 \$'000	2025 \$'000
Services received free of charge - other entities	46	47
Total Income	46	47

The resources received free of charge are measured at fair value.

Services received from other entities

The Corporation receives audit services free of charge from the Audit Office of South Australia in relation to work performed under the *Public Finance and Audit Act 1987*. No other services were provided by the Audit Office of South Australia.

A corresponding expense is recognised in the financial statement (see note 4.1).

3. Board, committees and employees

3.1. Key Management Personnel

Key Management Personnel of the Corporation include the Minister, Executive Director, Artistic Director and the Board who have responsibility for the management of the Corporation including its strategic and artistic direction.

The Board Members are appointed by the Government in accordance with the *Adelaide Festival Corporation Act 1998*.

Total compensation for key management personnel was \$569,015 (2025: \$693,381).

Adelaide Festival Corporation
Notes to the Financial Statements For the year ended 30 June 2026

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

Compensation of key management is disclosed above. During 2025-26 a number of Board Members provided donations or sponsorships either directly or on behalf of their organisations.

3.2. Board and Committee members

Members during the 2026 financial year were:

Board

Current:

Judy Potter (Chair) (from 13 January 2026)
 Rob Brookman AM (from 13 January 2026)
 Jane Doyle OAM (from 13 January 2026)
 John Irving AM (from 13 January 2026)
 Tam Nguyen (from 29 January 2026)
 Cr Carmel Noon (from 11 June 2026)

Previous:

Ms Tracey Whiting AM (Chair) (till 11 January 2026)
 The Hon Amanda Vanstone AO (till 27 July 2025)
 Mr Anthony Berg AM (till 22 October 2025)
 Ms Alison Beare (till 4 December 2025)
 Daniela Ritorto (25 September 2025 to 10 January 2026)
 Donny Walford (6 November 2025 to 10 January 2026)
 Nick Linke OAM (6 November 2025 to 10 January 2026)
 Mr Brenton Cox (till 13 January 2026)
 Ms Leesa Chessier (till 13 January 2026)
 Ms Mary Couros (till 1 February 2026)

Audit and Risk Committee

Current:

John Irving AM (from 14 January 2026)
 Judy Potter (from 14 January 2026)
 Rob Brookman AM (from 14 January 2026)

Previous:

Mr Brenton Cox (Chair till 13 January 2026)
 Ms Tracey Whiting AM (till 11 January 2026)
 Mr Anthony Berg AM (till 22 October 2025)
 Ms Alison Beare (till 4 December 2025)

Board and committee remuneration

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

	2026	2025
\$0 - \$19,999	15	8
Total number of members	15	8

The total remuneration received or receivable by members was \$78,591 (2025: \$40,848). From which \$19,882 (2025: \$15,869) was donated back to the Corporation. Remuneration of members includes sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and related fringe benefits tax.

Adelaide Festival Corporation
Notes to the Financial Statements For the year ended 30 June 2026

From time to time, Board members will receive complimentary tickets to shows or events conducted by the Corporation. These benefits are provided to attend Festival events solely for the purpose of the execution of duties of office and direct hosting of guests, sponsors and donors.

3.3. Employee related expenses

	2026	2025
	\$'000	\$'000
Salaries and wages	4,258	4,363
Employment on-costs – superannuation	493	514
Employment on-costs – other	212	209
Board fees	61	41
Total employee related expenses	5,024	5,126

Superannuation

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

Employee remuneration

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

	2026	2025
\$171,001 to \$177,000*	n/a	2
\$177,001 to \$197,000	2	-
\$197,001 to \$217,000	3	1
\$217,001 to \$237,000	1	1
\$237,001 to \$257,000	-	-
\$257,001 to \$277,000	1	-
\$277,001 to \$297,000	-	-
\$297,001 to \$317,000	-	-
\$317,001 to \$337,000		1
Total	7	5

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

The total remuneration received by these employees for the year was \$1,471,351 (2025: \$1,100,209).

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, termination payments (including payments in lieu of annual and long service leave), superannuation contributions, salary sacrifice benefits, fringe benefits and any fringe benefits tax paid or payable in respect of those benefits.

4. Expenses

4.1. Supplies and services

The current breakdown of supplies and services for the 2026 Festival shows that 75.8% went towards the presentation of the Festival, 10.1% went to the promotion of the Festival, 3.1% went to servicing our corporate sponsorship and philanthropy programs, and 11.0% went to corporate governance and artistic direction.

Adelaide Festival Corporation
Notes to the Financial Statements For the year ended 30 June 2026

	2026 \$'000	2025 \$'000
Presentation of the Festival		
Event staging and contracts	3,715	3,280
Cost of goods for sale	535	804
Royalty and license fees	288	418
Front of House	137	156
Artist fees and payments	3,538	3,687
Artist travel and accommodation	1,844	1,218
Total presentation of the Festival	10,057	9,563
Promotion of the Festival		
Marketing, advertising and media	1,070	1,031
Design, printing and distribution costs	269	248
Total promotion of the Festival	1,339	1,279
Corporate governance and artistic direction		
Short-term and low-value leases	157	148
Communications and information technology	471	272
Insurance	123	120
Audit fee	46	47
Consultant	20	17
Other expenditure	643	1,279
Total corporate governance and artistic direction	1,460	1,883
Corporate sponsorship and philanthropy programs		
Hospitality, sponsorship and ticketing	404	401
Total corporate sponsorship and philanthropy programs	404	401
Total supplies and services	13,260	13,126

5. Assets

5.1 Financial Assets

	2026 Carrying amount \$'000	2025 Carrying amount \$'000
Financial assets measured at amortised cost		
Cash and cash equivalents	1,972	909
Contractual receivables	349	509
Total financial assets	2,321	1,418

All financial assets are measured at amortised cost.

Adelaide Festival Corporation
Notes to the Financial Statements For the year ended 30 June 2026

5.2. Cash and cash equivalents

	2026	2025
	\$'000	\$'000
Cash at bank	606	709
Cash at hand	1	1
Short term deposits with SAFA	1,365	199
Total cash and cash equivalents	1,972	909

Short term deposits are made on an at-call basis with funds transferred within 24 hours upon request. The deposits are lodged with SAFA and earn interest at the respective short term deposit rate on a monthly basis.

5.3. Receivables

	2026	2025
	\$'000	\$'000
Current		
Contractual receivables		
From non-government entities	349	509
Statutory receivables		
GST input tax recoverable	68	153
Prepayments	82	341
Total current receivables	499	1,002

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

Statutory receivables do not arise from contracts with customers. They are recognised and measured similarly to contractual receivables (except impairment) but are not classified as financial instruments for disclosure purposes.

The net amount of GST recoverable 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 they are measured at amortised cost.

The Corporation has assessed the collectability of its trade receivables and does not believe that counterparties will fail to discharge their obligations. The carrying amount of receivables approximates net fair value due to being receivable on demand.

Non-financial assets

5.4. Property, plant and equipment by asset class

Property, plant and equipment comprises tangible assets owned and right-of-use (leased) assets.

	2026	2025
	\$'000	\$'000
Plant and equipment at cost (deemed Fair Value)	741	741
Asset held for sale	-	-
Less: Accumulated depreciation	(741)	(735)

Adelaide Festival Corporation
Notes to the Financial Statements For the year ended 30 June 2026

<i>Total plant and equipment</i>	-	6
Furniture and Fittings at cost	221	221
Less: Accumulated depreciation	(157)	(108)
<i>Total Furniture and Fittings</i>	64	113
Right-of-use buildings	751	751
Less: Accumulated depreciation	(601)	(451)
<i>Total Right-of-use buildings</i>	150	300
Total Property, Plant and Equipment	214	419

5.5. Property, plant and equipment owned by the Corporation

Property, plant and equipment owned by the Corporation with a value equal to or in excess of \$1,000 is capitalised, otherwise it is expensed. Property, plant and equipment owned by the Corporation is recorded at fair value.

Impairment

Property, plant and equipment owned by the Corporation has been assessed for impairment.

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.

Reconciliation 2025-2026

	Plant and equipment \$'000	Furniture and Fittings \$'000	Right-of- use buildings \$'000	Total \$'000
Carrying amount at the beginning of the period	6	113	300	419
Depreciation	(6)	(49)	(150)	(205)
Carrying amount at the end of the period	-	64	150	214

Adelaide Festival Corporation
Notes to the Financial Statements For the year ended 30 June 2026

5.6. Depreciation and amortisation

All non-current assets not held for sale with a limited useful life are systematically depreciated/amortised over their useful lives in a manner that reflects the consumption of their service potential.

Useful life

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

Class of Asset	Useful life (years)
Plant and equipment	3-10
Furniture and Fittings	3-5
Right-of-use buildings	life of lease
Purchased computer software	4-5

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 useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the time period or method, as appropriate.

5.7. Property, plant and equipment leased by the Corporation

Right-of-use assets for property, plant and equipment leased by the Corporation as lessee are measured at cost. The Corporation's right-of-use assets mainly relate to a lease of 605.5m² floor of a building in the Adelaide CBD, being the registered office of the Corporation.

The Corporation also has a warehouse/storage space in Welland which is with the Department for Infrastructure and Transport (DIT).

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 associated lease payments are recognised as an expense and are disclosed in note 4.1.

The lease liabilities related to the right-of-use assets are disclosed in note 6.

Impairment

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

5.8. Intangible assets

	2026	2025
	\$'000	\$'000
Purchased computer software	220	220
Less: accumulated amortisation	(220)	(200)
Total intangible assets	-	20

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 \$1,000.

Adelaide Festival Corporation
Notes to the Financial Statements For the year ended 30 June 2026

Reconciliation 2025-2026

	Purchased computer software \$'000	Total \$'000
Carrying amount at beginning of the period	20	20
Amortisation	(20)	(20)
Carrying amount at the end of the period	-	-

6. Liabilities

6.1. Financial Liabilities

	2026 Carrying amount \$'000	2025 Carrying amount \$'000
Financial liabilities measured at amortised cost		
Contractual payables	367	184
Lease liabilities	65	256
Total financial liabilities	432	440

All financial liabilities are measured at amortised cost.

6.2. Payables

	2026 \$'000	2025 \$'000
Current		
Contractual payables	367	184
	367	184

Contractual payables

Contractual payables are liabilities that arise from contracts. They include trade payables and accrued expenses. Accrued expenses are expenses incurred but not yet invoiced or paid. The balances are transferred to trade payables when invoices are received.

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

6.3. Other Financial liabilities

	2026 \$'000	2025 \$'000
Current		
Lease Liabilities	65	191
Total current financial liabilities	65	191

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Non-Current

Lease Liabilities	-	65
<i>Total non-current financial liabilities</i>	-	65
Total financial liabilities	65	256

Lease liabilities are related to property lease arrangements as disclosed above.

6.4. Employee related liabilities

	2026	2025
	\$'000	\$'000
Current		
Accrued Salaries and Wages	80	111
Annual Leave	228	204
Employee oncosts	48	46
<i>Total current employee related liabilities</i>	356	361
Non-Current		
Long Service Leave	323	297
Employment oncosts	55	50
<i>Total non-current employee related liabilities</i>	378	347
Total employee related liabilities	734	708

Long-term employee related liabilities are measured as the present value and short-term employee related liabilities are measured at nominal amounts.

Salaries and wages, annual leave and sick leave

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

The annual leave liability in full is expected to be payable within 12 months and is measured at the undiscounted amount expected to be paid.

Long service leave

The liability for long service leave is measured at 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 actuarial assessment performed by the Department of Treasury and Finance has provided a basis for the measurement of long service leave and is based on actuarial assumptions on expected future salary and wage levels, experience of employee departures and periods of service. These assumptions are based on employee data over SA Government entities.

AASB 119 Employee Benefits requires the use of the yield on long term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long-term Commonwealth Government bonds has increased from 3.50% in 2025 to 4.50% in 2026.

The actuarial assessment performed by the Department of Treasury and Finance maintained the salary inflation rate at 3.5% for long service leave liability in 2026.

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The net financial effect of the changes to actuarial assumptions in the current financial year is a decrease in the long service liability of \$11,716 and employee benefits expense of \$11,716. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of demographical and financial assumptions including the long-term discount rate.

The current portion of employee related liabilities reflects the amount for which the Corporation does not have the 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 on-costs liabilities

Employment on-costs include payroll tax and superannuation contributions and 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. Estimates as to the proportion of long service leave estimated to be taken as leave, rather than being paid on termination, affects whether certain on-costs are recognised as a consequence of long service liabilities.

6.5. Provisions

	Workers Compensation 2026	Other 2026	Total 2026
	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	88	15	103
Remeasurement	4	-	4
Carrying amount at the end of the period	92	15	107

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. The provision is for the estimated cost of ongoing payments to employees as required under the current legislation.

The Corporation is responsible for the payment of workers compensation claims.

An additional make good provision has also been recognised to reflect the possible end of lease costs for the office lease.

6.6. Contract Liabilities

	2026 \$'000	2025 \$'000
Current		
Contract liabilities	214	14
Total contract liabilities	214	14

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Contract liabilities relate to payments received from the customer before the services are provided. Such advance payments have been made at the discretion of the customer and therefore do not result in the contract having a significant financing component.

7. Other disclosures

7.1. Cash flow

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

8. Outlook

8.1. Unrecognised commitments

Expenditure commitments

	2026 \$'000	2025 \$'000
Within one year	42	21
Later than one year but not longer than two years	-	-
Total expenditure commitments	42	21

As at 30 June 2026, the Corporation had expenditure commitments of \$42,000 under a rights transfer agreement for the production of Blaubart. The remaining balance was payable upon despatch of production materials in July 2026.

The Corporation's expenditure commitments in 2024-25 related to two computer equipment leases that concluded in June 2026.

8.2. 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.

The Corporation is not aware of any contingent assets and liabilities.

8.3. Events after the reporting period

The Corporation is not aware of any events after the reporting period.