

INDEPENDENT AUDITOR'S REPORT



Government of South Australia

Audit Office of South Australia

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 Film Festival

Opinion

I have audited the financial report of the Adelaide Film Festival 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 Film Festival 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/Creative Director, and the Finance and Governance Manager.

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 Film Festival. 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/Creative Director and the members of the Board for the financial report

The Chief Executive Officer/Creative 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 Chief Executive Officer/Creative 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 Chief Executive Officer/Creative 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 13(3) of the Schedule to the *Public Corporations Act 1993*, I have audited the financial report of the Adelaide Film Festival 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 Film Festival'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/Creative Director
- conclude on the appropriateness of the Chief Executive Officer/Creative 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 Chief Executive Officer/Creative Director and members of the 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

24 September 2026

Adelaide Film Festival

Financial Statements

for the year ended 30 June 2026

Certification of the Financial Statements

We certify that the:

- financial statements for the Adelaide Film Festival:
 - comply with relevant Treasurer's instructions;
 - comply with relevant accounting standards;
 - are in accordance with the accounts and records of the Adelaide Film Festival; and
 - present a true and fair view of the financial position of the Adelaide Film Festival as at 30 June 2026 and the results of its operation and cash flows for the financial year.
- the internal controls employed by the Adelaide Film Festival for the financial year over its financial reporting and its preparation of the financial statements have been effective.



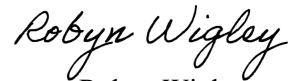
Anton Andreacchio
Chair

09/09/2026



Mat Kesting
CEO/Creative Director

09/09/2026



Robyn Wigley
Finance & Governance
Manager

09/09/2026

Adelaide Film Festival			
STATEMENT OF COMPREHENSIVE INCOME			
For the year ended 30 June 2026			
	Note	2026	2025
	No.	\$' 000	\$' 000
Income			
SA Government Grants	7	2,164	2,285
Revenues from sales		468	477
Interest		121	124
Non SA Government grants & Sponsorships	6	892	1,071
Investment returns AFFIF		91	141
Other income	8	185	182
Total income		3,921	4,280
Expenses			
Employee related expenses	2	1,116	1,152
Supplies and services	4	1,691	1,856
AFFIF Investment in Films	5	615	844
Depreciation	11	6	10
Total expenses		3,428	3,862
Net result		493	418
Total comprehensive result		493	418

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 Film Festival

STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Note No.	2026 \$'000	2025 \$'000
Current assets			
Cash and cash equivalents	9	3,205	2,873
Receivables	10	59	44
Total current assets		3,264	2,917
Non-current assets			
Property, plant and equipment	11	1	7
Total non-current assets		1	7
Total assets		3,265	2,924
Current liabilities			
Payables	12	186	344
Employee related liabilities	13	81	98
Contract liabilities	14	92	73
Total current liabilities		359	515
Non-current liabilities			
Employee related liabilities	13	37	33
Total non-current liabilities		37	33
Total liabilities		396	548
Net assets		2,869	2,376
Equity			
Retained earnings		2,869	2,376
Total equity		2,869	2,376

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

Adelaide Film Festival

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2026

	Retained Earnings	Total
	\$'000	\$'000
Balance at 30 June 2024	1,958	1,958
Net result for 2024-25	418	418
Total comprehensive result for 2024-25	418	418
Balance at 30 June 2025	2,376	2,376
Net result for 2025-26	493	493
Total comprehensive result for 2025-26	493	493
Balance at 30 June 2026	2,869	2,869

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

Adelaide Film Festival

STATEMENT OF CASH FLOWS

For the year ended 30 June 2026

	Note No.	2026 Inflows (Outflows) \$'000	2025 Inflows (Outflows) \$'000
Cash flows from operating activities			
Cash inflows			
Receipts from the sale of goods and services		517	522
Interest received		113	122
Receipts from Non SA Government grants and sponsorships		486	536
GST received from the ATO		64	-
Trust funds received		65	74
Other receipts		251	275
Receipts from SA Government grants		2,149	2,457
		3,645	3,986
Cash outflows			
Employee related payments		(1,103)	(1,127)
Supplies and services		(1,490)	(1,454)
AFFIF Investment in films		(615)	(844)
GST paid to the ATO		-	(151)
Trust funds payments		(105)	(87)
		(3,313)	(3,663)
Net cash from/(used in) operating activities		332	323
Cash flows from Investing Activities			
Cash outflows			
Purchase of property, plant and equipment		-	(6)
Net cash from/(used in) investing activities		-	(6)
Net increase (decrease) in cash and cash equivalents		332	316
Cash and cash equivalents at the beginning of the financial year		2,873	2,557
Cash and cash equivalents at the end of the financial year	9	3,205	2,873

The accompanying notes form part of these financial statements.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

ADELAIDE FILM FESTIVAL

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Note 1 Basis of Financial Statements, Objectives and Activities

The Adelaide Film Festival (AFF) is a subsidiary of the Minister for Arts established under the Regulations pursuant to the *Public Corporations Act 1993*.

The financial statements and accompanying notes include all the controlled activities of AFF.

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

Basis of Preparation

These financial statements have been prepared in compliance with section 23 of the *Public Finance and Audit Act 1987*.

The financial statements are general purpose financial statements. The accounts have been prepared in accordance with relevant Australian Accounting Standards and comply with Treasurer's Instructions and Accounting Policy Statements promulgated under the provisions of the *Public Finance and Audit Act 1987*.

AFF has applied relevant Australian Accounting Standards with simplified disclosure requirements that are applicable to not-for-profit entities, as AFF is a not-for-profit entity. Australian Accounting Standards and interpretations that have recently been issued or amended but are not yet effective, have not been adopted by AFF for the period ending 30 June 2026.

The financial statements have been 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).

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 AFF 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.

AFF is not subject to income tax. AFF is liable for goods and services tax (GST).

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.

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.

Objectives

AFF's objectives are:

- to present an annual festival which celebrates and explores contemporary Australian and international screen culture with a unique program of screenings and special events, which aim to increase audience knowledge and participation.
- to increase and stimulate innovative and new screen production through the provision of equity finance for the premiering at the Festival.
- to raise the profile of arts and screen culture in South Australia for audiences and practitioners.

The Adelaide Film Festival facilitates the Adelaide Film Festival Investment Fund (AFFIF). The AFFIF balance must be used for investment in film projects or reasonable administration costs of administering the AFFIF (refer Note 15).

Activities

AFF undertakes the following activities:

- The Adelaide Film Festival was established in 2003 to present a biennial festival. From 2022-23 the festival has been presented annually in October.

Note 2 Employee related expenses

	2026	2025
	\$'000	\$'000
Salaries and wages	919	948
Annual leave	72	80
Long service leave	4	4
Superannuation	113	112
Workers compensation	8	8
Total employee related expenses	1,116	1,152

Superannuation

The superannuation expense represents the AFF's contributions 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:	2026	2025
\$172,001 to \$192,000	-	1
\$192,001 to \$202,000	1	-
Total	1	1

The total remuneration received by those employees for the year was \$0.2 million (\$0.18 million).

The 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 and salary sacrifice benefits.

Note 3 Remuneration of Board Members

Board members

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

Mr Anton Andreacchio - Chair
Ms Rebecca Cole
Mr Rick Davies
Mr Joshua Fanning
Ms Jessica Gallagher
Ms Sheila Jayadev
Ms Marianna Panopoulos - Chair Audit, Finance & Risk Sub Committee
Mr Hugo Weaving AO

Remuneration of governing board members

The members of the AFF board have not received remuneration during the financial year.

Key Management Personnel

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

Total compensation for key management personnel was \$200,000 in 2025-26 and \$184,000 in 2024-25.

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

There were no transactions with key management personnel and other related parties. Transactions with other SA government related parties are disclosed separately within these financial statements.

Note 4 Supplies and services

	2026	2025
	\$'000	\$'000
Programmed events		
Advertising and media	47	49
Box office	54	53
Equipment hire	14	18
Competitions and awards	31	105
Contractors	114	107
Design	78	67
Direct mail and promotional material	3	2
Functions and premieres	142	118
Printing and stationery	45	53
Hospitality	11	27
Marketing	17	62
Film rights	91	83
Travel and accommodation	194	315
Venue hire	102	98
Sponsorships - in-kind	479	532
Other	12	9
Total programmed events	1,434	1,698
Administration expenses		
Insurance	11	7
Audit fees - in-kind	24	19
Board and committee meeting costs	9	7
IT expenses	64	33
Telecommunications	2	4
Bank fees	4	3
Postage and distribution fees	1	1
Office rental	27	6
Consultants	39	-
Contractors	-	1
Other administration expenses	71	70
Total administration expenses	252	151
Adelaide Film Festival Investment Fund		
Audit fees - in-kind	-	5
Legal costs	5	2
Total AFFIF	5	7
Total supplies and services	1,691	1,856

Note 5 AFFIF Investment in films

	2026	2025
	\$'000	\$'000
Feature films/documentaries	568	799
Short films	47	15
Cross platform	-	30
Total AFFIF investment in film	615	844

AFFIF provides funding to film and documentary productions under production investment or grant agreements. While these arrangements may provide AFF an entitlement to future revenue participation, the primary purpose of the funding is to support the development of the South Australian screen industry.

At the time funding is committed, AFF assesses whether future economic benefits are expected to flow to the entity. Where future economic benefits are not expected to flow to AFF, the funding is recognised as an expense when incurred rather than as a financial asset.

Where a funded production subsequently generates revenue, AFF's share of the proceeds is recognised as income under Investment Returns - AFFIF when earned.

AFFIF Investment in films is presented as a separate expense category in FY2025-26. Comparative information has been reclassified to conform with the current year's presentation, as these amounts were previously included within Supplies and Services expense.

Note 6 Non SA Government grants and sponsorships

	2026	2025
	\$'000	\$'000
Non SA Government grants and sponsorships - cash	413	539
Sponsorship - in-kind	479	532
Total non SA Government grants and sponsorship	892	1,071

All in-kind sponsorship is included in revenue. This is also included in expenses reflecting the goods/services provided (refer note 4). Services of this nature would have otherwise been purchased.

Sponsorships in-kind are recognised in accordance with AASB 1058 *Income of Not-for-Profit Entities* as income on receipt.

Non SA Government grants and sponsorships are recognised in accordance with AASB 15 *Revenue from Contracts with Customers* when performance obligations are satisfied.

Note 7 South Australian Government grants

	2026	2025
	\$'000	\$'000
Operating grant	1,149	1,140
AFF Investment Fund	1,000	1,000
Other South Australian Government grants	15	145
Total South Australian Government grants	2,164	2,285

Revenue from the SA Government is received in the form of grants.

The operating and AFF Investment Fund funding are granted through a Memorandum of Administrative Arrangement between the Department of the Premier and Cabinet and AFF, and are recognised on receipt in accordance with AASB 1058 *Income of Not-For-Profit Entities*.

Other SA Government grants result from individual grant agreements with various SA Government agencies. Any event specific revenue is recognised in the period the event occurs and when the relating performance obligations are satisfied in accordance with AASB 15 *Revenue from Contracts with Customers*.

Note 8 Other income

	2026	2025
	\$'000	\$'000
Donations and fundraising	147	114
Bettison and James fees	8	8
Audit revenue in-kind	24	47
Other income	6	13
Total other income	185	182

Donations and other income are recognised on receipt.

The majority of the donations received are from AFF Luminaries.

Note 9 Cash and cash equivalents

	2026	2025
	\$'000	\$'000
Cash at bank	2,358	2,052
Term deposits	847	821
Total cash and cash equivalents	3,205	2,873

Cash is measured in nominal amounts.

Cash at bank includes funds held in trust, refer to note 12, and AFFIF funds, refer note 15.

Note 10 Receivables

	2026	2025
	\$'000	\$'000
Debtors	-	10
Accrued interest	18	10
Accrued income	2	-
Other receivables	39	24
Total receivables	59	44

No receivables are impaired as at 30 June 2026.

Receivables are raised for all goods and services provided for which payment has not been received. Receivables are normally settled within 30 days. Debtors and other receivables are non-interest bearing.

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

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

Note 11 Property, plant and equipment

	2026	2025
	\$'000	\$'000
Office furniture and equipment		
Office furniture and equipment at cost (deemed fair value)	47	47
Less accumulated depreciation	(46)	(40)
Total office furniture and equipment	1	7

Reconciliation of property, plant and equipment

The following table shows the movement of property, plant and equipment during the reporting period:

	Office furniture and equipment	Total
2025-26	\$'000	\$'000
Carrying amount at the beginning of the period	7	7
Acquisitions	-	-
Depreciation expense	(6)	(6)
Carrying amount at the end of the period	1	1

Useful life

Depreciation is 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)
Office furniture and equipment	2 - 4

Note 12 Payables

	2026 \$'000	2025 \$'000
Funds held in trust	59	100
GST payable	-	-
Accrued expenses	67	217
Creditors	60	27
Total payables	186	344

Payables are measured at nominal amounts. Creditors and accruals are recognised for all amounts owing but unpaid. Creditors are normally settled within 30 days from the date the invoice is first received.

All payables are non-interest bearing.

Funds held in trust are associated with the Bettison & James Award, facilitated by AFF on behalf of the Jim Bettison & Helen James Foundation.

Note 13 Employee related liabilities

	2026 \$'000	2025 \$'000
Current		
Annual leave	58	65
Accrued wages	9	4
Employment on-costs	14	29
Total current employee-related liabilities	81	98
Non-Current		
Long service leave	37	33
Total non-current employee related liabilities	37	33
Total employee related liabilities	118	131

Employee related liabilities accrue as a result of services provided up to the reporting date that remain unpaid.

Annual leave

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

Long Service Leave

The long service leave liability is expected to be payable beyond 12 months and is measured at the undiscounted amount expected to be paid.

Employment on-costs

Employment on-costs include ReturnToWorkSA levies and superannuation contributions and are settled when the respective employee benefits they relate to are discharged. AFF makes contributions to several State Government and externally managed superannuation schemes. These contributions are treated as an expense when they occur. There is no liability for payments to beneficiaries as they have been assumed by the respective superannuation schemes.

Note 14 Contract liabilities

	2026	2025
	\$'000	\$'000
South Australia Government grant	-	15
Other grants	92	58
Total contract liabilities	92	73

In preparation for the Festival to be held in October 2026, the AFF commenced receiving various sources of revenue in the 2025-26 financial year. Funding received during the financial year is recognised as contract liabilities when it meets the AASB 15 recognition criteria and will be recognised as revenue in the financial year when the performance obligations have been met.

Note 15 Adelaide Film Festival Investment Fund

The Adelaide Film Festival Investment Fund (AFFIF) was established to capitalise on local and national creative strengths in order to:

- boost production in the State;
- increase business and employment opportunities in the State; and
- enhance the State's national and international reputation as a centre of independent screen creativity and innovation.

The closing balance of the AFFIF is included in total cash and cash equivalents at 30 June (refer Note 9).

Under the Memorandum of Administrative Arrangement between DPC and Adelaide Film Festival, AFFIF funds must be applied to eligible film investment projects and reasonable administration costs. Unspent funds and investment returns are retained within the AFFIF for future eligible projects.

The following table demonstrates the movements in the AFFIF:

	2026	2025
	\$'000	\$'000
Balance as at 1 July	1,036	868
Income		
Grant from SA Government	1,000	1,000
Non-SA Government Grant	20	-
Investment returns	91	141
Interest	46	43
Total income	1,157	1,184
Expenses		
Administration and programming expenses	95	97
Investment in films	615	844
Employee benefits	90	75
Total expenses	800	1,016
Balance as at 30 June	1,393	1,036

Note 16 Unrecognised contractual commitments

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

AFF commitments

Commitments arising from AFF contractual agreements are payable as follows:

	2026	2025
	\$'000	\$'000
Within one year	265	190
Later than one year but not later than five years	11	-
Total AFF commitments	276	190

Note 17 Contingent assets and liabilities

The AFF is not aware of any contingent assets or liabilities.

Note 18 Events after the reporting period

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