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To the Chair of the Board Adelaide Venue Management Corporation

Qualified opinion

I have audited the financial report of the Adelaide Venue Management Corporation (AVMC) for the financial year ended 30 June 2024.

In my opinion, except for the effects of the matter described in the 'Basis for qualified opinion' section of my report, the accompanying financial report gives a true and fair view of the financial position of the AVMC as at 30 June 2024, 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.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2024
- a Statement of Financial Position as at 30 June 2024
- a Statement of Changes in Equity for the year ended 30 June 2024
- a Statement of Cash Flows for the year ended 30 June 2024
- notes, comprising material accounting policy information and other explanatory information
- a Certificate from the Chair, Chief Executive Officer and the Chief Financial Officer.

Basis for qualified opinion

Procurement reporting disclosure

The AVMC was required by the Treasurer's Instructions (Accounting Policy Statements) to include disclosure reporting the value of procurement with South Australian and non-South Australian businesses for 2023-24.

This requirement uses a framework established by the Treasurer's Instructions (Accounting Policy Statements) and definitions in Treasurer's Instruction 18 *Procurement*. The AVMC included that disclosure in note 4.2 to the financial report.

My review of the processes used by the AVMC found that it had not established an effective process to meet the requirements of the framework established for the procurement reporting under the Treasurer's Instructions.

As such I am not able to obtain sufficient appropriate audit evidence for the amounts disclosed in note 4.2.

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 AVMC. 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 qualified opinion.

Responsibilities of the Chief Executive Officer and the Board for the financial report

The Chief Executive Officer is responsible for the preparation of the financial report that gives a true and fair view in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards, 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 that 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 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 schedule 13(3) of the *Public Corporations Act 1993*, I have audited the financial report of the AVMC for the financial year ended 30 June 2024.

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 AVMC'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 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.

A handwritten signature in blue ink, appearing to read 'Andrew Blaskett', with a stylized flourish at the end.

Andrew Blaskett
Auditor-General

18 September 2024

Statement of Comprehensive Income
for the year ended 30 June 2024

	Note No.	2024 \$'000	2023 \$'000
Income from trading activities			
Facility charges	3.1	80 767	71 668
Interest		2 393	1 898
Other income	3.2	3 825	2 434
Total income from trading activities		86 985	76 000
Expenses from trading activities			
Employee related expenses	2.3	43 762	37 189
Supplies and services	4.1	23 524	19 879
Depreciation and amortisation	4.3	3 961	3 529
Net loss from the disposal of property, plant and equipment	4.4	6	299
Total expenses from trading activities		71 253	60 896
Profit from trading activities		15 732	15 104
Income from property management activities			
Interest		480	274
Appropriation	3.3	5 964	5 701
SA Government grant	3.4	10 708	10 705
Other income	3.2	640	602
Total income from property management activities		17 792	17 282
Expenses from property management activities			
Employee related expenses	2.3	3 703	3 220
Supplies and services	4.1	10 032	9 242
Depreciation and amortisation	4.3	32 793	28 494
Borrowing costs	4.5	11 165	11 134
Total expenses from property management activities		57 693	52 090
Loss from property management activities		(39 901)	(34 808)
Net profit / (loss)		(24 169)	(19 704)
Other comprehensive income			
Change in asset revaluation surplus		-	68 875
Total other comprehensive income		-	68 875
Total comprehensive result		(24 169)	49 171

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

Statement of Financial Position
as at 30 June 2024

	Note No.	2024 \$'000	2023 \$'000
Current assets			
Cash and cash equivalents	6.1	57 141	53 345
Receivables	6.2	5 859	6 522
Inventories	5.4	694	594
Total current assets		63 694	60 461
Non-current assets			
Property, plant and equipment	5.1	571 139	597 789
Total non-current assets		571 139	597 789
Total assets		634 833	658 250
Current liabilities			
Payables	7.1	5 495	5 029
Financial liabilities	7.2	66	61
Employee related liabilities	2.4	2 280	1 832
Contract liabilities	7.3	13 138	12 405
Other current liabilities	7.4	83	82
Provisions	7.5	211	195
Total current liabilities		21 273	19 604
Non-current liabilities			
Financial liabilities	7.2	395 407	394 869
Employee related liabilities	2.4	2 655	2 110
Contract liabilities	7.3	949	1 492
Other non-current liabilities	7.4	4 611	4 669
Provisions	7.5	855	654
Total non-current liabilities		404 477	403 794
Total liabilities		425 750	423 398
Net assets		209 083	234 852
Equity			
Contributed capital		133 840	133 840
Asset revaluation surplus	8.1	140 171	140 171
Accumulated surplus/(deficit)		(64 928)	(39 159)
Total equity		209 083	234 852

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

Statement of Changes in Equity
for the year ended 30 June 2024

	Note No.	Contributed capital \$'000	Asset revaluation surplus \$'000	Accumulated surplus/(deficit) \$'000	Total \$'000
Balance at 1 July 2022		133 840	71 296	(17 184)	187 952
Error correction	7.5	-	-	(671)	(671)
Restated balance at 1 July 2022		133 840	71 296	(17 855)	187 281
Net profit / (loss) for 2022-23		-	-	(19 704)	(19 704)
Gain / (loss) on revaluation of land and buildings during 2022-23	5.1	-	68 875	-	68 875
Total comprehensive result for 2022-23		-	68 875	(19 704)	49 171
Dividends paid		-	-	(1 600)	(1 600)
Balance at 30 June 2023		133 840	140 171	(39 159)	234 852
Net profit / (loss) for 2023-24		-	-	(24 169)	(24 169)
Total comprehensive result for 2023-24		-	-	(24 169)	(24 169)
Dividends paid	8.4	-	-	(1 600)	(1 600)
Balance at 30 June 2024		133 840	140 171	(64 928)	209 083

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

Statement of Cash Flows
for the year ended 30 June 2024

	Note No.	2024 \$'000	2023 \$'000
Cash flows from operating activities			
Cash inflows			
Receipts from the sale of goods and services		94 431	82 849
Business Interruption insurance proceeds		-	3 760
Appropriation		5 964	5 701
SA Government grant		10 714	10 705
Interest received		2 843	1 961
Cash generated from operations		113 952	104 976
Cash outflows			
Employee related payments		46 255	39 660
Supplies and services		36 901	33 624
Borrowing costs		11 170	11 134
GST remitted to the ATO		4 745	4 078
Cash used in operations		99 071	88 496
Net cash provided by operating activities	8.2	14 881	16 480
Cash flows from investing activities			
Cash inflows			
Proceeds from the sale of property, plant and equipment	4.4	91	14
Cash generated from investing activities		91	14
Cash outflows			
Purchase of property, plant and equipment		9 515	14 386
Cash used in investing activities		9 515	14 386
Net cash (used in) / provided by investing activities		(9 424)	(14 372)
Cash flows from financing activities			
Cash outflows			
Dividends paid to SA Government		1 600	1 600
Repayment of principal portion of lease liabilities		61	54
Cash used in financing activities		1 661	1 654
Net cash (used in) / provided by financing activities		(1 661)	(1 654)
Net increase / (decrease) in cash and cash equivalents		3 796	454
Cash and cash equivalents at the beginning of the financial year		53 345	52 891
Cash and cash equivalents at the end of the financial year	6.1	57 141	53 345

The accompanying notes form part of these financial statements.

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I About Adelaide Venue Management Corporation

Adelaide Venue Management Corporation, (the Corporation), is a statutory authority of the State of South Australia, established on 4 February 1999 as a subsidiary of the Minister for Tourism by Regulations under the *Public Corporations Act 1993*.

The Corporation is governed by a Board of Directors and operates under a charter approved pursuant to the provisions of the *Public Corporations Act 1993*.

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

1.1 Basis of preparation

The financial statements are general purpose financial statements prepared in accordance 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.

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 (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 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 operating cycle have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

Where asset and liability line items combine amounts expected to be realised within 12 months and more than 12 months, the Corporation has separately disclosed the amounts expected to be recovered or settled after more than 12 months.

1.2 Objectives and activities

The objectives of the Corporation are to:

1. manage and operate the Corporation's sites/venues;
2. manage, promote and sponsor events at the Corporation's sites/venues or elsewhere;
3. foster and assist the commercial development of the Corporation's sites/venues in order to complement and enhance the commercial potential; and
4. carry out any other functions conferred on the Corporation by the Minister.

The Corporation has one principal activity which is to manage and operate the Adelaide Convention Centre, Adelaide Entertainment Centre and Coopers Stadium. Therefore, no statement of expenses and income by activity has been prepared.

1.3 Significant transactions with government related entities

All significant transactions with other SA Government related entities are separately disclosed elsewhere in the financial statements.

2 Board and employees

2.1 Key management personnel

Key management personnel of the Corporation include the Minister, the Board, the Chief Executive Officer and the Executive Team. Total compensation for key management personnel was \$2 349 000 in 2023-24 and \$2 004 000 in 2022-23.

The compensation disclosed in this note excludes salaries and other benefits the Minister for Tourism 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*.

	2024	2023
	\$'000	\$'000
Salaries and other short-term employee benefits	2 349	2 004
Total	2 349	2 004

Transactions with key management personnel and other related parties

Unless otherwise disclosed, transactions between key management personnel and other related parties are on conditions no more favourable than those that it is reasonable to expect the entity would have adopted if dealing with the related party at arm's length in the same circumstances.

2.2 Board and committee members

Members during the 2024 financial year were:

Board

Andrew Daniels (Chair)

Denise Von Wald (Deputy Chair)

Pauline Denley

Jodi Glass

Fiona Hele (concluded 31 January 2024)

Ian Horne

Jim Kouts

Penelope Lion

Gretchen Richards

Audit and Risk Committee

Pauline Denley (Chair) (appointed Chair 29 February 2024)

Fiona Hele (Chair) (concluded 31 January 2024)

Denise Von Wald

Ian Horne

Penelope Lion

Mia Carrall*

*In accordance with the Premier and Cabinet Circular No. 016, government employees did not receive any remuneration for board/committee duties during the financial year.

Board and committee remuneration

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

	2024	2023
\$0 to \$19 999	2	10
\$20 000 to \$39 999	7	5
\$40 000 to \$59 999	1	-
Total number of members	10	15

The total remuneration received or receivable by members was \$250 000 (\$234 000). Remuneration of members includes sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and related fringe benefits tax.

2.3 Employee related expenses

	2024	2023
	\$'000	\$'000
Trading activities		
Salaries and wages	34 591	29 641
Long service leave	889	519
Annual leave	1 293	1 198
Skills and experience retention leave (SERL)	78	77
Employment on-costs - superannuation	3 982	3 292
Employment on-costs – other	2 337	1 887
Board fees	225	211
Workers compensation	254	364
Additional compensation	113	-
Total employee related expenses from trading activities	43 762	37 189
Property management activities		
Salaries and wages	3 035	2 663
Long service leave	2	-
Annual leave	140	110
Skills and experience retention leave (SERL)	2	3
Employment on-costs - superannuation	349	291
Employment on-costs - other	175	153
Total employee related expenses from property management activities	3 703	3 220
Total employee related expenses	47 465	40 409

Employment on-costs - 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 falls within the following bands:

	2024	2023
\$160 001 to \$166 000	na	1
\$166 001 to \$186 000	4	4
\$186 001 to \$206 000	1	-
\$206 001 to \$226 000	2	1
\$226 001 to \$246 000	1	1
\$246 001 to \$266 000	-	1
\$346 001 to \$366 000	1	-
\$466 001 to \$486 000	-	1
\$626 001 to \$646 000	1	-
Total number of employees	10	9

The \$160 001 to \$166 000 band has been included for the purpose of reporting comparative figures based on the executive base level remuneration rate for 2022-23.

The total remuneration received by those employees for the year was \$2 550 000 (\$2 016 000).

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, 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 Corporation.

2.4 Employee related liabilities

	2024	2023
	\$'000	\$'000
Current		
Long service leave	427	341
Annual leave	986	856
Accrued salaries and wages	471	309
Skills and experience retention leave (SERL)	91	85
Employment on-costs	305	241
Total current employee related liabilities	2 280	1 832
Non-current		
Long service leave	2 407	1 919
Employment on-costs	248	191
Total non-current employee related liabilities	2 655	2 110
Total employee related liabilities	4 935	3 942

Employee related liabilities are accrued as a result of services provided up to the reporting date that remain unpaid. Long-term employee related liabilities are measured at present value and short-term employee related liabilities are measured at nominal amounts.

Salaries and wages, annual leave, time off in lieu, SERL and sick leave

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

The annual leave liability (including time off in lieu) and the SERL liability is expected to be payable within 12 months and is measured at the undiscounted amount expected to be paid.

No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees is estimated to be less than the annual entitlement of sick leave.

Long Service Leave

Details about the measurement of long service leave liability is provided at note 11.1.

Employment on-costs

Employment on-costs include payroll tax, ReturnToWorkSA levies and superannuation contributions and are settled when the respective employee related liabilities that they relate to are 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 paid on termination, affects whether certain on-costs are recognised as a consequence of long service leave liabilities.

The Corporation 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.

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 changed from the 2023 rate (43%) to 44% and the average factor for the calculation of employer superannuation cost on-costs has also changed from the 2023 rate (11.0%) to 11.5%. These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current financial year is an increase in the employment on-cost and employee related expense of \$10 000. The impact on future periods is impracticable to estimate.

3 Income

3.1 Facility charges

	2024	2023
	\$'000	\$'000
Catering	38 799	35 953
Venue hire	14 370	13 385
Recoveries	12 109	8 243
Technical services	7 504	6 833
Car park	5 630	5 253
Corporate	2 355	2 001
Total facility charges	80 767	71 668

Revenues from facility charges are derived under contracts for the provision of goods and services to the public and other SA Government agencies. Revenue is recognised in the period in which the goods and services are provided.

Where contracts include several deliverables, the transaction price is allocated to each deliverable to determine when revenue is recognised. Alternatively, where contracts require an ongoing provision of services, the customer receives and uses the benefits simultaneously. In these circumstances, the Corporation's obligations are satisfied over time in line with the recognition of revenue.

Payments are largely due in advance or at the time of delivery for contracted provision of goods and services and are reported as contract liabilities until revenue is recognised.

For the majority of its contracts, at contract inception the Corporation expects the time period between receipt of payment in advance and when the Corporation transfers the related goods and services to the customer is less than 1 year. For the minority of contracts where the transfer is expected to be greater than 1 year after contract inception, in most cases only the initial deposit is paid greater than 1 year in advance. This results in any financing component being immaterial.

The Corporation has applied the practical expedient per AASB 15 *Revenue from Contracts with Customers* para 63, whereby the consideration has not been adjusted for the effects of any financing component.

Refer to note 6.2 for disclosure relating to contract balances included in receivables.

Refer to note 7.3 for disclosure relating to contract liabilities.

3.2 Other income

	2024	2023
	\$'000	\$'000
Trading activities		
Ticketing	1 297	1 015
Commission earned	764	496
Other	1 764	923
Total other income from trading activities	3 825	2 434
Property management activities		
Leased properties	412	387
Other	228	215
Total other income from property management activities	640	602
Total other income	4 465	3 036

3.3 Appropriation

	2024	2023
	\$'000	\$'000
Appropriation	5 964	5 701
Total appropriation	5 964	5 701

Appropriations are recognised on receipt.

This table does not show appropriation in the form of a loan or an equity contribution. Where money has been appropriated in the form of a loan, the Corporation has recorded borrowings. Refer to note 7.2. Where money has been appropriated in the form of an equity contribution, the Treasurer has acquired a financial interest in the net assets of the Corporation and the appropriation is recorded as contributed equity. Refer to the Statement of Changes in Equity.

Total appropriation revenues from the Government provide funding to the Corporation for expenses relating to the Adelaide Convention Centre site maintenance of the common areas and the riverbank precinct, exhibition hall land rent, state promotion and for replacement of Corporation assets.

The funding for asset replacement is transferred by the Department of Treasury and Finance into an interest bearing Special Deposit Account titled 'Adelaide Venue Management Future Asset Replacement Account'. With the approval of the Treasurer, these funds are available for the replacement and upgrade of assets and minor works.

3.4 SA Government grant

	2024	2023
	\$'000	\$'000
SA Government grant	10 708	10 705
Total SA Government grant	10 708	10 705

SA Government grants are recognised as income on receipt.

The Department of Treasury and Finance provide grant payments to the Corporation for interest and guarantee fees associated with borrowings sourced for the extension and redevelopment of the Adelaide Convention Centre. Refer note 4.5.

4 Expenses

Employee related expenses are disclosed in note 2.3.

4.1 Supplies and services

	2024	2023
	\$'000	\$'000
Trading activities		
Direct materials	16 069	13 401
Administration expenses and sundries	4 483	3 925
Marketing and promotions	2 693	2 267
Repairs and maintenance	198	231
Building services costs	81	55
Total supplies and services from trading activities	23 524	19 879
Property management activities		
Direct materials	193	32
Administration expenses and sundries	196	152
Repairs and maintenance	3 490	2 990
Building services costs	6 153	6 068
Total supplies and services from property management activities	10 032	9 242
Total supplies and services	33 556	29 121

Consultants

Consultants fees paid/payable for the year (included in supplies and services expense) were \$60 000 (\$38 000).

Audit Fees

Audit fees paid/payable to the Auditor-General's Department relating to work performed under the *Public Finance and Audit Act 1987* were \$87 000 (\$84 600). No other services were provided by the Auditor-General's Department.

4.2 Expenditure – SA Business and Non-SA Business

The following table includes all expenditure in relation to contracts above \$55,000 (GST inclusive) resulting from a procurement as defined in Treasurer's Instructions 18 – Procurement (TI 18). Arrangements between public authorities and arrangements with other governments are not included.

Expenditure is inclusive of non-recoverable GST.

	2024 \$'000	Proportion SA and non-SA business
Total expenditure with South Australian businesses	20 297	82%
Total expenditure with non-South Australian businesses	4 396	18%
	24 693	100%

Classification as SA business or non-SA business is generally based on circumstances as at the time of entering into a contract. For contracts entered into before 20 February 2023, where sufficient evidence of an assessment made under previous procurement requirements is known to the Adelaide Venue Management Corporation, this was used to determine classification. For contracts where such evidence of prior assessment is not available and for all other contracts, classification is based on the definition of an SA business provided in TI 18.

TI 18 defines a business as being South Australian where it operates in South Australia and more than 50% of the workforce delivering the contract resulting from the procurement on behalf of the business are South Australian residents.

The disclosure for expenditure with SA businesses reflects the total spent on contracts within the TI 18 definition and in some instances includes the cost of goods sourced from outside South Australia. In many cases, the determination has been made on the basis of representations made by suppliers at a point in time which has not been subject to independent verification.

4.3 Depreciation and amortisation

	2024 \$'000	2023 \$'000
Trading activities		
Plant and equipment	3 961	3 529
Total depreciation and amortisation for trading activities	3 961	3 529
Property management activities		
Buildings	32 263	27 964
Leasehold improvements	324	338
Right-of-use land	206	192
Total depreciation and amortisation for property management activities	32 793	28 494
Total depreciation and amortisation	36 754	32 023

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/amortisation is calculated over the estimated useful life of the following classes of assets as follows:

Class of asset	Depreciation method	Useful life (years)
Buildings & Improvements	Straight Line	2-127
Leasehold Improvements	Straight Line	3-15
Right-of-use land	Straight Line	Lease term
Plant and Equipment	Straight Line	1-30

Review of accounting estimates

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

4.4 Net (loss)/gain from the disposal of property, plant and equipment

	2024 \$'000	2023 \$'000
Property, plant and equipment		
Net proceeds from disposal	91	14
Less carrying amount of assets disposed	(97)	(313)
Total net (loss)/gain from the disposal of property, plant and equipment	(6)	(299)

4.5 Borrowing costs

	2024 \$'000	2023 \$'000
Interest expense on long term borrowings	7 451	7 455
Guarantee fees on long term borrowings	3 257	3 250
Interest expense on lease liabilities	457	429
Total borrowing costs	11 165	11 134

Borrowings

The Corporation has an agreement with SAFA to source debt funding for the extension and redevelopment of the Adelaide Convention Centre.

The Department of Treasury and Finance provide grant payments to the Corporation for interest and guarantee fees associated with the borrowings. Refer note 3.4.

5 Non-financial assets

5.1 Property, plant and equipment by asset class

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

	Land \$'000	Buildings and improvements \$'000	Leasehold improvements \$'000	Plant & equipment \$'000	Right-of- use land \$'000	Work in progress \$'000	Total \$'000
Gross carrying amount	44 450	520 888	3 795	69 155	13 407	2 658	654 353
Accumulated Depreciation	-	(32 263)	(2 473)	(47 546)	(932)	-	(83 214)
Carrying amount	44 450	488 625	1 322	21 609	12 475	2 658	571 139

Reconciliation 2023-24

Carrying amount at the beginning of the period	44 450	519 229	1 490	20 398	12 076	146	597 789
Additions	-	-	-	-	-	9 596	9 596
Transfers in / (out)	-	1 659	156	5 269	-	(7 084)	-
Disposals e.g. sales, write off	-	-	-	(97)	-	-	(97)
Remeasurement increment / (decrement)	-	-	-	-	605	-	605
Depreciation and amortisation	-	(32 263)	(324)	(3 961)	(206)	-	(36 754)
Carrying amount at the end of the period	44 450	488 625	1 322	21 609	12 475	2 658	571 139

Reconciliation 2022-23

Carrying amount at the beginning of the period	40 445	476 849	1 978	11 466	11 266	2 643	544 647
Additions	-	-	-	-	-	15 601	15 601
Transfers in / (out)	-	5 474	116	12 508	-	(18 098)	-
Disposals e.g. sales, write off	-	-	(266)	(47)	-	-	(313)
Revaluation increment / (decrement)	4 005	64 870	-	-	-	-	68 875
Remeasurement increment / (decrement)	-	-	-	-	1 002	-	1 002
Depreciation and amortisation	-	(27 964)	(338)	(3 529)	(192)	-	(32 023)
Carrying amount at the end of the period	44 450	519 229	1 490	20 398	12 076	146	597 789

5.2 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 \$3 000 is capitalised, otherwise it is expensed. Property, plant and equipment owned by the Corporation is recorded at fair value. Detail about the Corporation's approach to fair value is set out in note 11.2.

The Corporation capitalises costs associated with projects to work in progress. On completion of a project the capitalised costs are transferred to the relevant non-current asset account. The balance of work in progress reflects costs for projects which are at various stages of completion as at 30 June.

Lessor arrangements

The Corporation is a lessor of shops, offices and site space located on sites owned or leased by the Corporation. The lease terms range between 1 - 5 years, and rental payments are payable monthly by the lessees. The Corporation is also lessor of a section of land, for which the lease term is 99 years. Rental in relation to the lease of this land was received in advance. This arrangement has been classified as an operating lease. The Corporation manages risk of default and damage caused to shops, offices and site space by the use of formal lease agreements, employing a property manager to manage the majority of the leases, holding security deposits and obtaining personal guarantees.

Leased property income is disclosed in note 3.2. A maturity analysis of leased property payments is disclosed in note 10.3.

Impairment

Property, plant and equipment owned by the Corporation has been assessed for impairment. There was no indication of impairment. No impairment loss or reversal of impairment loss was recognised.

Revaluation of property, plant and equipment is undertaken on a regular cycle as detailed in Note 11.2. If at any time management considers that 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.

5.3 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.

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 have not been separately disclosed in the financial statements as they are immaterial.

The Corporation has a limited number of leases:

- The Corporation has entered into a long term lease with Renewal SA for part of the land on which Adelaide Convention Centre buildings are situated. Rental payments are made monthly, and subject to annual Consumer Price Index (CPI) review. There are no contingent rental provisions within the lease agreement. The initial lease term is 93 years, expiring 30 June 2083. The lease contains an option to renew the lease for a further 20 years at the end of the lease term. The extension option has not been incorporated into the lease term as the Corporation does not consider it reasonably certain that it would be taken up, given the current lease period does not expire until 30 June 2083. See note 11.3 for further information.

- The Corporation has 2 concessionary leases with the Minister for Recreation and Sport. These leases are significantly below-market terms and conditions principally to enable the Corporation to further its objectives. The leases are as follows:
 1. Lease of Coopers Stadium. Under the terms of the lease the Corporation is responsible for managing and maintaining the premises. The annual lease payment is \$1. The lease expires 30 June 2028, with provision for extension of this lease being for an additional period as agreed in writing by the parties.
 2. Lease of a portion of land on which Adelaide Convention Centre buildings are situated. The annual lease payment is \$1. The lease expires 1 July 2083, with a lease extension option of an additional 20 years.

The lease liabilities related to the right-of-use assets are disclosed in note 7.2. Expenses related to leases, including depreciation and interest expenses, are disclosed in note 4. Cash outflows related to leases are disclosed in note 8.2.

Impairment

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

5.4 Inventories

	2024	2023
	\$'000	\$'000
Current - Inventories held for resale		
Beverages	452	377
Food	242	217
Total inventories held for resale	694	594

Inventories are measured at the lower of cost or their net realisable value. Cost is allocated in accordance with the average cost and standard cost methods. Net realisable value is determined using the estimated sales proceeds less costs incurred in marketing, selling and distribution to customers.

Cost of inventories

The Corporation recognised an expense for raw materials and consumables of \$9 996 000 (\$9 111 000).

6 Financial assets

6.1 Cash and cash equivalents

	2024	2023
	\$'000	\$'000
Deposits with the Treasurer		
Operating Account	44 971	43 442
Future Asset Replacement Account	8 877	6 711
Total deposits with the Treasurer	53 848	50 153
Investment with SA Financing Authority	3 095	2 966
Cash on hand	198	226
Total cash and cash equivalents in the Statement of Financial Position	57 141	53 345
Total cash and cash equivalents in the Statement of Cash Flows	57 141	53 345

Deposits with the Treasurer

Deposit accounts are established under section 21 of the *Public Finance and Audit Act 1987*.

The Operating Account is comprised of funds held in an operating account at a commercial banking institution. Cash at bank deposits are on-call and carry an average variable interest rate of 4.12% (2.83%). Interest is accrued daily and distributed monthly.

The Future Asset Replacement Account is lodged with SAFA in a Deposit Account. Although the Corporation controls the money reported above in the Future Asset Replacement Account, its use must be approved by the Treasurer. The Future Asset Replacement Account funds carry an average variable interest rate of 4.12% (2.83%). Interest is accrued daily and distributed monthly.

Investment with SA Financing Authority

The Investment with the SA Financing Authority is held in a Cash Management Facility. The SAFA Cash Management Funds carry an average variable interest rate of 4.27% (2.98%). Interest is accrued daily and distributed monthly.

6.2 Receivables

	2024	2023
	\$'000	\$'000
Current		
Contractual receivables from government	249	1 201
Contractual receivables from non-government	3 098	2 674
Accrued revenues	1 367	1 342
Prepayments	1 094	1 009
Statutory receivables		
GST input tax recoverable	51	296
Total current receivables	5 859	6 522

Contractual receivables arise in the normal course of selling goods and services to other government agencies and to the public. Contractual receivables are normally settled within 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement.

Other than as recognised in the allowance for impairment loss on contractual receivables, it is not anticipated that counterparties will fail to discharge their obligations. The carrying amount of receivables approximates net fair value due to being receivable on demand. There is no concentration of credit risk.

Refer to note 11.4 for further information on risk management.

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.

Allowance for impairment loss on contractual receivables

The Corporation has provided a nil (2023 nil) loss allowance for trade receivables. Refer to note 11.4 for details regarding credit risk and the methodology for determining impairment.

	30 June 2024	1 July 2023
	\$'000	\$'000
Contract balances		
Receivables from contracts with customers, included in 'Receivables'	3 347	3 875

7 Liabilities

Employee related liabilities are disclosed in note 2.4.

7.1 Payables

	2024	2023
	\$'000	\$'000
Current		
Contractual payables	3 193	3 317
Accrued expenses	1 469	877
Interest accrued	746	750
Statutory payables		
Auditor-General's Department audit fees payable	87	85
Total current payables	5 495	5 029

Payables and accruals are raised for all amounts owing but unpaid. Contractual payables are normally settled within 30 days from the date the invoice is first received. All payables are non-interest bearing. The carrying amount of payables represents fair value due to their short-term nature.

7.2 Financial liabilities

	Note	2024	2023
	No.	\$'000	\$'000
Current			
Lease Liabilities	5.3	66	61
Total current financial liabilities		66	61
Non-current			
Borrowings from SA Government		382 321	382 321
Lease Liabilities	5.3	13 086	12 548
Total non-current financial liabilities		395 407	394 869
Total financial liabilities		395 473	394 930

Financial liabilities are measured at amortised cost.

Note 11.3 describes possible cash outflows for leases the Corporation is exposed to that are not included in lease liabilities.

Borrowings from SA Government

The Corporation has a Client Services Agreement with SAFA for the Adelaide Convention Centre extension and redevelopment project. Under the arrangement, the Corporation has fully drawn down the approved borrowings limit of \$382.321 million from SA Government. Borrowings from SA Government are on interest-only terms and have a maturity date of 24 May 2030. The interest rate was 1.89% in 2024 (1.89% in 2023).

7.3 Contract liabilities

	2024	2023
	\$'000	\$'000
Current		
Contract liabilities	13 138	12 405
Total current contract liabilities	13 138	12 405
Non-current		
Contract liabilities	949	1 492
Total non-current contract liabilities	949	1 492
Total contract liabilities	14 087	13 897

Contract liabilities relate to monies received in advance for goods and services, for which revenue is recognised when the goods and services are provided. It includes amounts invoiced in relation to events and car parking which relate to future periods and amounts invoiced under Corporate Suite Licensing and Advertising Agreements.

	30 June 2024	1 July 2023
	\$'000	\$'000
Contract liabilities		
Contract liabilities - current	13 138	12 405
Contract liabilities - non-current	949	1 492

Revenue totalling \$11 908 000 was recognised in 2023-24 that was included in contract liabilities at 1 July 2023. No revenue related to adjustment to prices for performance obligations satisfied or partially satisfied in prior periods.

7.4 Other liabilities

	2024	2023
	\$'000	\$'000
Current		
Unearned lease revenue	58	58
Security deposits	25	24
Total current other liabilities	83	82
Non-current		
Unearned lease revenue	4 611	4 669
Total non-current other liabilities	4 611	4 669
Total other liabilities	4 694	4 751

Unearned lease revenue represents payment received for a section of land leased on a 99 year lease agreement during 2007. The payments received for the lease are being recognised as income over the life of the lease.

7.5 Provisions

	2024	2023
	\$'000	\$'000
Current		
Workers compensation	206	195
Additional compensation	5	-
Total current provisions	211	195
Non-current		
Workers compensation	747	654
Additional compensation	108	-
Total non-current provisions	855	654
Total provisions	1 066	849

Movement in provisions

	2024	2023
	\$'000	\$'000
Workers compensation		
Carrying amount at the beginning of the period	849	671
Re-measurement	104	178
Carrying amount at the end of the period	953	849
Additional compensation		
Carrying amount at the beginning of the period	-	-
Re-measurement	113	-
Carrying amount at the end of the period	113	-

Workers compensation provision (statutory and additional compensation schemes)

The Corporation is deemed to be a self-insured employer by virtue of the *Return To Work Act 2014* and as such is liable for all medical, income and other day to day type expenses associated with a claim. The Corporation is also liable for any lump sum, redemption or permanent disability type payments for claims.

Accordingly, a provision has been reported to reflect unsettled workers compensation claims (statutory entitlements and additional compensation schemes).

The workers compensation provision is based on an actuarial assessment of outstanding liability as at 30 June 2024 provided by a consulting actuary engaged through the Office of the Commissioner of Public Sector Employment (OCPSE). The provision is for the estimated cost of ongoing payments to employees as required under current legislation.

The additional compensation scheme provides continuing benefits to workers who have suffered eligible work-related injuries and whose entitlements have ceased under the statutory workers compensation scheme.

There is a significant degree of uncertainty associated with estimating future claim and expense payments and also around the timing of future payments due to the variety of factors involved. The liability is impacted by agency claim experience relative to other agencies, average claim sizes and other economic and actuarial assumptions.

In addition to these uncertainties, the additional compensation scheme is impacted by the limited claims history and the evolving nature of the interpretation of, and evidence required to meeting, eligibility criteria. Given these uncertainties, the actual cost of additional compensation claims may differ materially from the estimate.

The Corporation has not previously recognised a provision for workers compensation or a provision for additional compensation. They are recognised for the first time in the current year financial statements. As a result, retrospective adjustments have been made to the financial statements as follows:

- An adjustment was processed in the Statement of Changes in Equity to restate Accumulated Surplus/ (Deficit) at 1 July 2022 to reflect the impact of the omittance of workers compensation provision of \$671,000;
- Employee related expenses for 2022-23 increased by \$178,000 to reflect the remeasurement of the workers compensation provision to \$849,000;

8 Other disclosures

8.1 Equity

The asset revaluation surplus is used to record increments and decrements in the fair value of land and buildings to the extent that they offset one another. Relevant amounts are transferred to accumulated surplus when an asset is derecognised.

For information about equity contributions refer to note 3.3.

8.2 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 operating cash flows.

Total cash outflows for leases was \$619 000 (\$488 000).

	2024	2023
	\$'000	\$'000
Reconciliation of net profit / (loss) to net cash provided by operating activities:		
Net profit / (loss) for the year	(24 169)	(19 704)
Add / (less) non-cash items		
Depreciation and amortisation expense	36 754	32 023
Leased land income	(58)	(58)
Net (gain) / loss on disposal of assets	6	299
Movement in assets / liabilities		
(Increase) / decrease in receivables	663	1 884
(Increase) / decrease in inventories	(100)	(212)
(Decrease) / increase in payables	384	(138)
(Decrease) / increase in other liabilities	1	(24)
(Decrease) / increase in contract liabilities	190	1 742
(Decrease) / increase in employee related liabilities	993	490
(Decrease) / increase in provisions	217	178
Net cash provided by operating activities	14 881	16 480

8.3 Administered items

The Corporation includes a schedule of administered items as a note to the accounts as it is considered that administered transactions and balances are not significant in relation to the Corporation's overall financial performance and position in accordance with APS 1050.B.

Event funds

The Corporation receives gross box office receipts from ticketing agencies and holds those receipts in separate Event Funds bank accounts. In any instance where an event does not proceed, those monies are returned to the relevant ticketing agency and refunded to patrons. Alternatively, the monies are paid to promoters, the Corporation and other service providers.

	2024	2023
	\$'000	\$'000
Administered revenues		
Net box office receipts	45 670	34 734
Interest earned on event funds	631	395
Total administered revenues	46 301	35 129
Administered expenses		
Settlements paid	46 559	33 218
Total administered expenses	46 559	33 218
Movement in administered items during the year	(258)	1 911
Administered assets		
Cash at bank	13 390	13 657
Receivable - interest	55	46
Total administered assets	13 445	13 703
Administered liabilities		
Funds held for future event settlements	13 390	13 657
Accrued interest payable	55	46
Total administered liabilities	13 445	13 703
Movement in administered items during the year	(258)	1 911
Total administered assets held at the beginning of the financial year	13 703	11 792
Total administered assets held at the end of the financial year	13 445	13 703

Cash deposits

Cash at Bank is comprised of funds held in a bank account at a commercial banking institution. Funds are on-call and carry an average variable interest rate of 4.30% (3.09%). Interest is accrued daily and distributed monthly.

Coopers Stadium Upgrade Project funds

The Corporation has entered into an administrative arrangement with the Office for Recreation, Sport and Racing (ORSR) to oversee and manage the Coopers Stadium Upgrade project. The SA Government has allocated \$45 000 000 in funding to ORSR which has been subsequently transferred to the Corporation for this purpose. The project period is from 24 April 2021 to 1 December 2024, which includes a 12 month defects liability period. Upon project acquittal the Corporation will return any unspent funding to ORSR. The Corporation is responsible for any project cost overruns.

The Coopers Stadium upgrade project is expected to be completed in the 2024-25 financial year.

	2024	2023
	\$'000	\$'000
Administered funds receipts		
Receipt of project funds	-	-
Total administered funds receipts	-	-
Administered funds outflows		
Project spend	1 241	24 657
Total administered funds outflows	1 241	24 657
Movement in administered items during the year	(1 241)	(24 657)
Administered assets		
Cash at bank	1 748	2 989
Total administered assets	1 748	2 989
Administered liabilities		
Funds held for project	1 748	2 989
Total administered liabilities	1 748	2 989
Movement in administered items during the year	(1 241)	(24 657)
Total administered assets held at the beginning of the financial year	2 989	27 646
Total administered assets held at the end of the financial year	1 748	2 989

Cash deposits

Cash at Bank is comprised of funds held in a bank account at a commercial banking institution. Funds are on-call and carry an average variable interest rate of 4.12% (2.83%).

8.4 Dividends

A current period dividend of \$1 600 000 (\$1 600 000) was paid to SA Government during the financial year as determined by the Treasurer, pursuant to Section 22(2) of the *Public Corporations (Adelaide Venue Management Corporation) Regulations 2013*.

9 Changes in accounting policy

The Corporation has assessed that the Australian Accounting Standards and Interpretations that first applied in 2023-24 did not have a material impact on the Corporation's financial statements.

10 Outlook

10.1 Unrecognised commitments

Commitments include operating, capital and outsourcing arrangements arising from contractual sources and are disclosed at their nominal value and inclusive of non-recoverable GST.

Contractual commitments to acquire property, plant and equipment

	2024	2023
	\$'000	\$'000
Within one year	2 623	3 035
Total capital commitments	2 623	3 035

The Corporation's capital expenditure commitments are associated with various capital projects.

Other contractual commitments

	2024	2023
	\$'000	\$'000
Within one year	1 351	1 909
Later than one year but not longer than five years	837	405
Total expenditure commitments	2 188	2 314

The Corporation's other contractual commitments are associated with ongoing business operations.

10.2 Expected realisation of contract liabilities as revenue

	2024-25	2025-26	2026-27	2027-30	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue expected to be recognised	13 138	682	193	74	14 087

Revenue expected to be recognised in 2025-26 and beyond relates to deposits and instalment payments for future events.

10.3 Expected leased property income

Operating lease maturity analysis

	2024	2023
	\$'000	\$'000
Within one year	225	164
Later than one year but not longer than two years	204	28
Later than two years but not longer than three years	182	-
Later than three years but not longer than four years	114	-
Later than four years but not longer than five years	9	-
Total operating lease revenue commitments	734	192

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. These amounts are not recognised as assets.

See note 5.2 for information about the property the Corporation leases out under operating leases.

10.4 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.

The Corporation is not aware of any contingent liabilities.

10.5 Impact of standards not yet effective

The Corporation has assessed the impact of new and changed Australian Accounting Standards and Interpretations not yet effective. No Australian Accounting Standards have been early adopted.

10.6 Events after the reporting period

Disclosure is made about events between 30 June and the date the financial statements are authorised for issue where the events relate to a condition which arose after 30 June and which may have a material impact on the results of subsequent years. The Corporation is not aware of any such events arising.

11 Measurement and risk

11.1 Long service leave liability - measurement

The liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The expected timing and amount of long service leave payments is determined through whole-of-government actuarial calculations, which are based on actuarial assumptions on expected future salary and wage levels, experience of employee departures and periods of service. These assumptions are based on submitted data from the payroll system and assessed against actuarial data.

The discount rate used in measuring the liability is reflective of the yield on long-term Commonwealth Government bonds. The yield on long-term Commonwealth Government bonds has increased from the 2023 rate (4.00%) to the 2024 rate (4.25%).

The actuarial assessment performed by the Department of Treasury and Finance left the salary inflation rate unchanged for 2024 from the 2023 rate (3.50%) for long service leave liability. As a result, there is no net financial effect resulting from changes in the salary inflation rate.

The net financial effect of the changes to actuarial assumptions in the current financial year is an increase in the long service leave liability of \$70 000 and employee related expense of \$77 000. 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 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.

11.2 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.

Initial recognition

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

Where assets are acquired at significantly less than fair value, they are recorded at their fair value in the Statement of Financial Position. However, if the assets are acquired at significantly less than fair value as part of a restructure of administrative arrangements, then the assets are recorded at book value (i.e. the amount recorded by the transferor immediately prior to transfer).

Revaluation

Property, plant and equipment, other than right-of-use assets, are subsequently measured at fair value after allowing for accumulated depreciation.

The revaluation process is reviewed by the Chief Financial Officer and the Corporation's Board when a valuation takes place.

Non-current tangible assets are valued at fair value and revaluation of non-current assets or a group of assets is only performed when the fair value at the time of acquisition is greater than \$1.5 million and estimated useful life is greater than three years.

Revaluation is undertaken on a regular cycle as detailed below. If at any time management considers that 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.

Fair value hierarchy

The Corporation classifies fair value measurement using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements, based on the data and assumptions used in the most recent revaluation:

- a) Level 1 – traded in active markets and is based on unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at measurement date.
- b) Level 2 – not traded in an active market and are derived from inputs (inputs other than quoted prices included within level 1) that are observable for the asset, either directly or indirectly.
- c) Level 3 – not traded in an active market and are derived from unobservable inputs.

The Corporation's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

During 2024 and 2023, the Corporation had no valuations categorised into level 1; there were no transfers of assets between level 1 and 2 fair value hierarchy levels and there were no changes in valuation technique.

Fair value classification – non-financial assets at 30 June 2024

	Note	Level 2 \$'000	Level 3 \$'000	Total \$'000
Recurring fair value measurements				
Land	5.1	44 450	-	44 450
Buildings and improvements	5.1	962	487 663	488 625
Leasehold improvements	5.1	-	1 322	1 322
Plant and equipment	5.1	-	21 609	21 609
Work in progress	5.1	-	2 658	2 658
Total recurring fair value measurements		45 412	513 252	558 664

Fair value classification – non-financial assets at 30 June 2023

	Note	Level 2 \$'000	Level 3 \$'000	Total \$'000
Recurring fair value measurements				
Land	5.1	44 450	-	44 450
Buildings and improvements	5.1	950	518 279	519 229
Leasehold improvements	5.1	-	1 490	1 490
Plant and equipment	5.1	-	20 398	20 398
Work in progress	5.1	-	146	146
Total recurring fair value measurements		45 400	540 313	585 713

Land and buildings

The Corporation's regular revaluation cycle for land and buildings and improvements owned by the Corporation is at least every five years, with the valuation appraisal performed by an independent Certified Practising Valuer. The most recent independent valuation was performed by a Certified Practising Valuer from Liquid Pacific Holdings Pty Ltd, as at 30 June 2023 for buildings and improvements and land.

The valuer used depreciated replacement cost for specialised buildings, due to there not being an active market for such buildings. The depreciated replacement cost considered the need for ongoing provision of government services; specialised nature of the assets, including the restricted use of the assets; the size, condition, location and current use of the assets. The valuation was based on a combination of specialised knowledge and the acquisition/transfer costs.

The valuer arrived at fair value for land and non-specialised buildings using the market approach. The valuation was based on recent market transactions for similar land and buildings (non-specialised) in the area and includes adjustment for factors specific to the land and building being valued such as size and location.

Plant and equipment

All items of plant and equipment owned by the Corporation that had a fair value at the time of acquisition less than \$1.5 million or had an estimated useful life that was less than three years have not been revalued. The carrying value of these items is deemed to approximate fair value.

Reconciliation of Level 3 recurring fair value measurements at 30 June 2024

The following table is a reconciliation of fair value measurements using significant unobservable inputs (level 3).

	Buildings and improvements \$'000	Leasehold improvements \$'000	Plant and equipment \$'000	Work in progress \$'000
Opening balance at the beginning of the period	518 279	1 490	20 398	146
Acquisitions	-	-	-	9 523
Transfers in / (out)	1 586	156	5 269	(7 011)
Total gains / (losses) for the period in profit and loss:				
Depreciation	(32 202)	(324)	(3 961)	-
Disposals	-	-	(97)	-
Closing balance at the end of the period	487 663	1 322	21 609	2 658

Reconciliation of Level 3 recurring fair value measurements at 30 June 2023

The following table is a reconciliation of fair value measurements using significant unobservable inputs (level 3).

	Buildings and improvements \$'000	Leasehold improvements \$'000	Plant and equipment \$'000	Work in progress \$'000
Opening balance at the beginning of the period	476 127	1 978	11 466	2 643
Acquisitions	-	-	-	15 601
Transfers in / (out)	5 474	116	12 508	(18 098)
Total gains / (losses) for the period in profit and loss:				
Depreciation	(27 922)	(338)	(3 529)	-
Disposals	-	(266)	(47)	-
Total gains / (losses) for the period recognised in other comprehensive income:				
Revaluation increment / (decrement)	64 600	-	-	-
Closing balance at the end of the period	518 279	1 490	20 398	146

11.3 Possible lease cash outflows not reflected in lease liabilities

The Corporation has entered into a long term lease with Renewal SA for part of the land on which the Adelaide Convention Centre buildings are situated. The lease liability does not reflect the extension option of an additional twenty years as the Corporation does not consider it reasonably certain that it would be taken up, given the current lease period does not expire until 30 June 2083.

11.4 Financial instruments

Financial risk management

Risk management is carried out by the corporate services section and risk management policies and practices are in accordance with the *SA Government Risk Management Guide*, the principles established in the Australian Standard *Risk Management Principles and Guidelines* and internal written policies approved by the Board.

The Corporation's exposure to financial risk (liquidity risk, credit risk and market risk) is low due to the nature of the financial instruments held.

Credit risk

The Corporation has no significant concentration of credit risk. The Corporation has policies and procedures in place to ensure that transactions occur with customers with appropriate credit history.

Impairment of financial assets

Loss allowances for contractual receivables are measured at an amount equal to lifetime expected credit loss using the simplified approach in AASB 9. The Corporation uses an allowance matrix to measure the expected credit loss of contractual receivables from non-government debtors.

To measure the expected credit losses, contractual receivables are grouped based on shared risks characteristics and the days past due. When estimating expected credit loss, the Corporation considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Corporation's historical experience and informed credit assessment, including forward-looking information.

The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Corporation is exposed to credit risk.

The expected credit loss of government debtors is considered to be nil based on the external credit ratings and nature of the counterparties.

Loss rates are calculated based on the probability of a contractual receivable progressing through stages to write off based on the common risk characteristics of the transaction and debtor.

As a result of the Corporation's assessment for non-government debtors a nil loss allowance for contractual receivables has been provided for based on negligible bad debt write offs over the past 10 years, due to the Corporation's practices of holding the gross box office receipts for publically ticketed events, from which the Corporation then deducts monies owed to it post event, requiring payment in advance of an event in most other instances and stringent credit management policies.

Contractual receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the failure of a debtor to enter into a payment plan with the Corporation and a failure to make contractual payments for a period of greater than 90 days past due.

The Corporation considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties and therefore the expected credit loss is nil.

No impairment losses were recognised in relation to the Corporation's contractual receivables arising from the Corporation's contracts with customers or in relation to accrued revenue during the year.

Market risk

The Corporation does not trade in foreign currency, nor enter into transactions for speculative purposes, nor for hedging.

The Corporation has no exposure to foreign exchange risk in relation to its financial assets or liabilities.

Exposure to interest rate risk may arise through interest earned on cash and cash equivalent balances, which earn a floating interest rate.

There is no interest rate risk on Borrowings, as while movements in interest rates will affect the fair value of the loan, the contracted repayments remain the same due to the fixed interest rate. The Corporation has minimal exposure to liquidity risk in relation to interest repayments as the Department of Treasury and Finance provides funding to the Corporation for interest and fees.

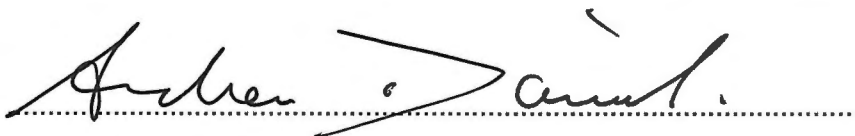
The Corporation's exposure to cash flow interest rate risk is minimal.

There have been no changes in risk exposure since the last reporting period.

Certification of the Financial Statements

We certify that the:

- Financial statements of the Adelaide Venue Management Corporation (with exception of disclosure note 4.2 required under Treasurers Instructions Accounting Policy Statement 101.K):
 - are in accordance with the accounts and records of the Corporation; and
 - comply with relevant Treasurer's instructions; and
 - comply with relevant accounting standards; and
 - present a true and fair view of the financial position of the Adelaide Venue Management Corporation at the end of the financial year and the result of its operations and cash flows for the financial year.
- Internal controls employed by the Adelaide Venue Management Corporation for the financial year over its financial reporting and its preparation of financial statements have been effective.

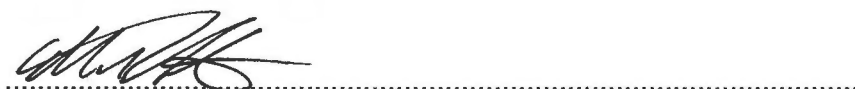


Andrew Daniels

CHAIR

Adelaide Venue Management Corporation

Date: 29.8.24



Martin Radcliffe

CHIEF EXECUTIVE OFFICER

Adelaide Venue Management Corporation

Date: 29.8.24



Mia Carrall

CHIEF FINANCIAL OFFICER

Adelaide Venue Management Corporation

Date: 29.8.24