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To the Chair South Australian Film Corporation

Opinion

I have audited the financial report of the South Australian Film Corporation for the financial year ended 30 June 2024.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the South Australian Film Corporation as at 30 June 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 – Simplified Disclosures.

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, the Chief Executive Officer and the Head of Finance.

Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my report. I am independent of the South Australian Film Corporation. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* have been met.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the Chief Executive Officer and members of the South Australian Film Corporation Board for the financial report

The Chief Executive Officer is responsible for the preparation of the financial report that gives a true and fair view in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and 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 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 South Australian Film Corporation Board are responsible for overseeing the entity's financial reporting process.

Auditor's responsibilities for the audit of the financial report

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 13(3) of the *South Australian Film Corporation Act 1972*, I have audited the financial report of the South Australian Film Corporation 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 South Australian Film Corporation's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive Officer
- conclude on the appropriateness of the Chief Executive Officer's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

My report refers only to the financial report described above and does not provide assurance over the integrity of electronic publication by the entity on any website nor does it provide an opinion on other information which may have been hyperlinked to/from the report.

I communicate with the Chief Executive Officer and members of the South Australian Film Corporation Board about, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.



Daniel O'Donohue
Assistant Auditor-General (Financial Audit)

25 September 2024

Certification of Financial Statements

We certify that the:

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



Mike Rann
Chair
24 September 2024



Kate Croser
Chief Executive Officer
24 September 2024



Emma Henderson
Head of Finance
24 September 2024

SOUTH AUSTRALIAN FILM CORPORATION

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2024

	Note No.	2024 \$'000	2023 \$'000
OPERATIONS			
Income			
Revenue from SA Government	4.1	2 196	1 476
Adelaide Studio income	4.2	1 297	1 263
Film distribution returns		127	366
Interest revenues	4.3	351	363
Other revenues	4.4	32	11
Total operations income		4 003	3 479
Expenses			
Employee related expenses	2.3	2 256	2 012
Supplies and services	3.3	1 537	1 194
Depreciation	5.2	106	121
Total operations expenses		3 899	3 327
Net result from Operations		104	152
SCREEN INDUSTRY PROGRAMS			
Income			
Revenue from SA Government	4.1	1 395	1 026
Revenue from Non-SA Government		25	54
Total Screen Industry income		1 420	1 080
Expenses			
Screen Industry programs	3.1	1 304	1 736
Total Screen Industry expenses		1 304	1 736
Net result from Screen Industry programs		116	(656)
PRODUCTION FUNDING			
Income			
Revenue from SA Government	4.1	10 353	3 232
Total Production Funding Income		10 353	3 232
Expenses			
Production Funding	3.2	14 673	11 552
Total Production Funding expenses		14 673	11 552
Net result from Production Funding		(4 320)	(8 320)
Total Comprehensive Result		(4 100)	(8 824)

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

SOUTH AUSTRALIAN FILM CORPORATION

STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	Note No.	2024 \$'000	2023 \$'000
Current assets			
Cash and cash equivalents	6.2	4 565	7 212
Receivables	6.3	851	802
Other assets	6.4	1 252	175
Revolving loan fund	6.5	916	232
Total current assets		7 584	8 421
Non-current assets			
Equipment	5.1	281	254
Revolving loan fund	6.5	50	50
Total non-current assets		331	304
Total assets		7 915	8 725
Current liabilities			
Payables	7.2	3 589	289
Employee related liabilities	2.4	144	116
Contract liabilities		11	69
Total current liabilities		3 744	474
Non-current liabilities			
Employee related liabilities	2.4	153	184
Provisions	7.3	63	12
Total non-current liabilities		216	196
Total liabilities		3 960	670
Net Assets		3 955	8 055
Equity			
Contributed capital		8 460	8 460
Retained earnings		(4 505)	(405)
Total Equity		3 955	8 055

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

SOUTH AUSTRALIAN FILM CORPORATION

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2024

	Note No.	Contributed capital \$'000	Retained earnings \$'000	Total Equity \$'000
Balance at 30 June 2022		8 460	8 419	16 879
Net result for 2022-23			(8 824)	(8 824)
Balance at 30 June 2023		8 460	(405)	8 055
Net Result for 2023-24			(4 100)	(4 100)
Balance at 30 June 2024		8 460	(4 505)	3 955

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

SOUTH AUSTRALIAN FILM CORPORATION

STATEMENT OF CASH FLOWS

For the year ended 30 June 2024

	Note No.	2024 \$'000	2023 \$'000
Cash flows from operating activities			
Cash inflows			
Receipts from SA Government		13 944	5 734
Adelaide Studios and other income		624	1 505
Revolving Loan Fund repayments		-	850
GST received from the ATO		1 542	1 103
Interest received		351	363
Cash generated from operations		16 461	9 555
Cash outflows			
Production funding		(16 288)	(12 645)
Employee related payments		(2 208)	(2 008)
Screen Industry Programs		(1 448)	(1 901)
Payments for supplies and services		1 653	(4 152)
Revolving Loan Fund advances		(685)	-
Cash used in operations		(18 976)	(20 706)
Net cash provided by/(used in) operating activities		(2 515)	(11 151)
Cash flows from investing activities			
Cash outflows			
Purchase of property, plant and equipment		(132)	(134)
Cash used in investing activities		-	-
Net cash provided by/(used in) investing activities		(132)	(134)
Net increase/(decrease) in cash and cash equivalents		(2 647)	(11 285)
Cash and cash equivalents at the beginning of the period		7 212	18 497
Cash and cash equivalents at the end of the period	6.2	4 565	7 212

The accompanying notes form part of these financial statements.

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1. ABOUT THE SOUTH AUSTRALIAN FILM CORPORATION

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

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

Administered items are insignificant in relation to the SAFC's overall financial performance and position and are disclosed in Note 11.

1.1 BASIS OF PREPARATION

The financial statements are general purpose financial statements prepared in compliance with:

- section 23 of the *Public Finance and Audit Act 1987*;
- Treasurer's Instructions and Accounting Policy Statements issued by the Treasurer under the *Public Finance and Audit Act 1987*; and
- relevant Australian Accounting Standards applying simplified disclosures.

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

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.

1.2 OBJECTIVES

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

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

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

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

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

2. BOARD, COMMITTEES AND EMPLOYEES

The Chief Executive Officer was appointed by the Chief Executive of the Department for Industry, Innovation and Science as the Employing Authority under Section 9(1) of the *South Australian Film Corporation Act 1972*. Following the Machinery of Government change in October 2023 the employing authority for the recruitment of the Chief Executive Officer is the Chief Executive of the Department of the Premier and Cabinet. SAFC employees are appointed by the Chief Executive Officer SAFC under a sub-delegation provided by the Employing Authority under Section 9A(7) of the *South Australian Film Corporation Act 1972*.

The Executive Team comprises the Chief Executive Officer, Head of Operations, Head of Production and Development, Head of Finance and Head of Communications and Marketing.

2.1 KEY MANAGEMENT PERSONNEL

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

Total compensation for key management personnel was \$324,000 (\$307,000)

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

Transactions with key management personnel and other related parties

The Board includes individuals who work within both the local and national screen industry. This is a longstanding historical practice and is consistent with Board composition in similar agencies across Australia. There is a clear and industry accepted benefit for this practice, as practitioners provide important expertise and understanding about financing and production, and strategic insights about the future directions for the SAFC. The SAFC has policies and procedures in place to ensure that potential and perceived conflicts of interest are managed in a robust and transparent manner. Related party disclosures are recognised at the time of Board approval. Relevant Board members do not participate in the approval process relating to that commitment.

During 2023-24, a payment of \$8,191 was paid to a related party and \$80,000 was committed to a related party.

Channel 44, of which Lauren Hillman is General Manager was paid \$8,191 for production of a highlights video and marketing content airing on Channel 44.

Mostly Fish Pty Ltd, of which the CEO's spouse serves as a company director, was approved by the Board for a grant for \$80,000 from the Screen Production Fund. No payments have been made this financial year. \$80,000 has been included in the contingent liability for production funding.

2.2 BOARD MEMBERS

Members during the 2023-24 financial year were:

Board

- Hon Mike Rann AC CNZM (Chair)
- Mr Austin Taylor OAM
- Ms Miriam Silva AM (retired October 2023)
- Ms Lauren Hillman
- Ms Angela Heesom
- Mr Shouwn Oosting
- Mr Brian Hayes KC
- Ms Rachel Gardner
- Ms Clara Reeves (appointed November 2023)

First Nations Advisory Committee

- Dominic Guerrera (retired March 2024)
- Trevor Jamieson
- Nara Wilson
- Dearnna Newchurch*

Reconciliation Action Plan Committee

- Jessica Cahill* (retired March 2024)
- Beth Neate* (retired April 2024)
- Kate Croser*
- Michael Bloyce* (retired November 2023)
- Petra Starke*
- Julia Light*
- Pauline Clague
- Shouwn Oosting*

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

Board and Committee remuneration

The number of members whose remuneration received or receivable falls within the following bands:	2024 No	2023 No
\$0 - \$ 19 999	19	25
Total	19	25

The total remuneration received or receivable by members was \$29,579 (\$23,133). Remuneration of members include sitting fees, superannuation contributions and salary sacrifice benefits.

2.3 EMPLOYEE RELATED EXPENSES

	2024	2023
	\$'000	\$'000
Salaries	1 762	1 621
Employment on-costs – superannuation	205	186
Annual leave	141	100
Employment on-costs – other	79	70
Long Service Leave	(14)	13
Board fees	32	20
Workers compensation	51	2
Total employee related expenses	2 256	2 012

Employment on-cost superannuation

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

Employee Remuneration

The number of employees whose remuneration received or receivable falls within the following bands.	2024	2023
	No	No
\$160,001 to \$166,000*	n/a	-
\$166,001 to \$186,000	-	1
\$186,001 to \$206,000	1	-
\$206,001 to \$226,000	-	-
\$226,001 to \$246,000	-	-
\$246,001 to \$266,000	-	-
\$266,001 to \$286,000	-	1
\$286,001 to \$300,000	1	-
Total	2	2

* This band has been included for the purpose of reporting comparative figures based on the executive base level remuneration rate for 2022-23

The table includes all employees who received remuneration equal to or greater than the base executive remuneration level during the year. Remuneration of employees reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, salary sacrifice benefits and fringe benefits and any fringe benefits tax paid or payable in respect of those benefits.

The total remuneration received by those employees during the 2023-24 year was \$489,116 (\$449,593).

2.4 EMPLOYEE RELATED LIABILITIES

	2024 \$'000	2023 \$'000
Current		
Annual leave	109	100
Long service leave	17	-
Employment on-costs	18	16
Total current employee related liabilities	144	116
Non-current		
Long service leave	129	159
Employment on-costs	24	25
Total non-current employee related liabilities	153	184
Total employee related liabilities	297	300

Employee related liabilities accrue 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.

Long service leave

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

The discount rate used in measuring the liability is another key assumption. The discount rate used is the yield on long-term Commonwealth Government bonds. The yield on long-term Commonwealth Government bonds has increased from 2023 (4.01%) to 2024 (4.25%). This increase in the bond yield results in a decrease in the reported long service leave liability.

For long service leave, the amount relates to leave approved before year end that will be taken within 12 months, expected amount of leave to be approved and taken by eligible employees within 12 months, and expected amount of leave to be paid on termination to eligible employees within 12 months.

Employment on-costs

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

The SAFC contribute to several externally managed and State Government superannuation schemes. These contributions are treated as an expense when they occur. There is no liability for payments to beneficiaries as they have been assumed by the respective superannuation schemes. The only liability outstanding at report date relates to any contributions due but not yet paid to those schemes.

SOUTH AUSTRALIAN FILM CORPORATION

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 increased to 44% (2023: 43%). The average factor for the calculation of employer superannuation cost on-costs has increased to 11.5% (2023: 11.1%). These rates are used in the employment on-cost calculation.

3. EXPENSES

Employee related expenses are disclosed in Note 2.3.

The SAFC's key expenditure items relate to:

- screen industry programs;
- production funding; and
- management of the Adelaide Studios facilities.

3.1 SCREEN INDUSTRY PROGRAMS

	2024	2023
	\$'000	\$'000
Industry development	812	1 039
Project development	426	604
Company support	37	57
Production attraction	29	36
Total screen industry programs	1 304	1 736

Screen industry programs are undertaken by the SAFC to support the skills and capabilities of screen industry practitioners and company viability.

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

3.2 PRODUCTION FUNDING

	2024	2023
	\$'000	\$'000
PDV Rebate	9 117	5 914
Production Funding	4 617	4 930
VGD Rebate	939	708
Total production funding	14 673	11 552

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

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

SOUTH AUSTRALIAN FILM CORPORATION

Video Games Development (VGD) Rebate enables video games studios to claim a percentage of costs incurred to develop a video game in South Australia.

At the point of approval there is always a degree of uncertainty in relation to the projects proceeding and funding obligations being met. As a result, Production Funding instalments are only recognised as an expense when all of the conditions are met for payment of that instalment, and PDV and VGD Rebates only recognised as expenses upon final acquittal. Prior to that point the obligations are recognised as contingent liabilities.

3.3 SUPPLIES AND SERVICES

	2024 \$'000	2023 \$'000
Utility and communication expenses	144	201
Facility expenses	185	65
Computer and related expenses	217	172
Industry promotion and participations	205	222
Tenant and production recovered charges	213	138
Consultants	84	75
General administrative expenses	277	75
Audit and legal fees	58	63
Staff related expenses	114	88
Minor asset purchase and maintenance	8	44
Travel	32	51
Total supplies and services	1 537	1 194

Consultants

The number and dollar amount of consultancies paid/payable (included in supplies and services expense) that fell within the following bands:

	No	2024 \$'000	No	2023 \$'000
Below \$10 000	4	8	7	21
Above \$10 000	4	76	2	54
Total	8	84	9	75

4. INCOME

The SAFC receives income from the State Government, including grant funding from the Department for Industry, Innovation and Science and following the Machinery of Government change in October 2023, from the Department of the Premier and Cabinet under a 3 year Memorandum of Administrative Arrangement. This funding may be supplemented for specific projects during the year where the SAFC annual budget has been exhausted. The SAFC also generates income sourced from the private sector for long term office rentals, the hire of production and post sound facilities and from distributions from previous film investments.

SOUTH AUSTRALIAN FILM CORPORATION

4.1 REVENUE FROM SA GOVERNMENT

	2024	2023
	\$'000	\$'000
Production Funding	10 353	3 232
Operations	2 196	1 476
Screen Industry Programs	1 395	1 026
Total revenue from SA Government	13 944	5 734

Revenue from SA Government is recognised on receipt under AASB 1058.

The SAFC was funded via the Department for Industry, Innovation and Science and, following the Machinery of Government change in October 2023, via the Department of the Premier and Cabinet. The SAFC is required to seek approval from the Minister for the annual budget allocation against various activities.

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

At times, payments may not occur in the same financial year as the funding received by the SAFC.

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

4.2 ADELAIDE STUDIOS INCOME

	2024	2023
	\$'000	\$'000
Studio Hire	750	785
Tenant Rental	260	257
Other	287	221
Total Adelaide Studios income	1 297	1 263

4.3 INTEREST REVENUE

	2024	2023
	\$'000	\$'000
Deposits with the SA Government Financing Authority	291	363
Other Interest	60	-
Total interest revenues	351	363

4.4 OTHER REVENUE

	2024 \$'000	2023 \$'000
Sundry income	18	11
Revolving Loan Fund administration fees	14	-
Total other income	32	11

5. NON-FINANCIAL ASSETS

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

5.1 EQUIPMENT

	2024 \$'000	2023 \$'000
Production Equipment		
Production equipment at cost (deemed fair value)	1 188	1 185
Accumulated depreciation at the end of the period	(1 166)	(1 142)
Total production equipment	22	43
Office Equipment		
Office equipment at cost (deemed fair value)	1 407	1 277
Accumulated depreciation at the end of the period	(1 148)	(1 066)
Total office equipment	259	211
Total equipment	281	254

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

5.2 DEPRECIATION

	2024 \$'000	2023 \$'000
Office equipment	82	96
Production equipment	24	25
Total depreciation	106	121

SOUTH AUSTRALIAN FILM CORPORATION

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)
Production equipment	3-25
Office equipment	3-20

Review of accounting estimates

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

Initial recognition

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

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

Revaluation

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

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

Fair Value

AASB 13 Fair Value Measurement defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, in the principal or most advantageous market, at the measurement date.

Impairment

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

Reconciliation 2023-24

	Production equipment \$'000	Office equipment \$'000	Total \$'000
Carrying amount at the beginning of the period	43	211	254
Acquisitions	3	130	133
Depreciation	(24)	(82)	(106)
Carrying amount at the end of the period	22	259	281

5.3 PROPERTY LEASED BY THE SAFC

Property leased by the SAFC is recorded at cost.

A concessionary lease is held with the Premier for the Adelaide Studio precinct located at Glenside. The building is used to enable the operation of the Adelaide Studios and to support, encourage and facilitate creative industries including but not limited to film,

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television, audio-visual production, investment and development and ancillary purposes. Without the supply of this lease at concessionary terms, the SAFC would incur costs for an alternative property to deliver its objectives.

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

6. FINANCIAL ASSETS

6.1 CATEGORISATION OF FINANCIAL ASSETS

	Notes	2024 Carrying amount (\$'000)	2023 Carrying amount (\$'000)
Financial assets			
Cash and cash equivalents			
- Cash and cash equivalents	6.2	4 565	7 212
Financial assets at amortised cost			
- Contractual receivables	6.3	219	366
- Revolving Loan Fund	6.5	966	282
Total financial assets		5 750	7 860

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

6.2 CASH AND CASH EQUIVALENTS

	2024 \$'000	2023 \$'000
Short-term deposits with SAFA	4 462	7 125
Cash at bank and on hand	103	87
Total cash and cash equivalents	4 565	7 212

Short-term deposits

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

The Short-term deposits include cash holdings held by the Corporation for payments to be made in relation to Post Production, Digital and Visual Effects (SA PDV) Rebate and Video Game Development (VGD) Rebate. Prior to 30 June 2022 the cash was received by the Corporation from DIIS at the time the rebates were provisionally approved by the Corporation. The timing of these rebate payments to recipients is uncertain and relies on a final acquittal being provided. Further information on these rebates is disclosed under Note 4.1 Revenue from SA Government and Note 10.2 Contingent Assets and Liabilities.

6.3 RECEIVABLES

	2024	2023
	\$'000	\$'000
Contractual receivables		
From non-government entities	97	357
From government entities	122	9
Statutory receivables		
GST input tax recoverable	632	436
Total current receivables	851	802

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

Statutory receivables do not arise from contracts with customers. They are related to taxes and equivalents as well as statutory fees and charges. Statutory receivables are recognised and measured similarly to contractual receivables but are not classified as financial instruments for disclosure purposes.

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

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

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

6.4 OTHER ASSETS

	2024	2023
	\$'000	\$'000
Prepayments		
Prepayments	52	68
Accrued revenue	1 200	107
Total Other Assets	1 252	175

Accrued revenue is higher than the prior year due to PDV rebate income (\$1.164m), this is offset by the PDV rebate expense accrued for the same amount at year end.

6.5 REVOLVING LOAN FUND

	2024	2023
	\$'000	\$'000
Current	916	232
Non-Current	50	50
Total Revolving Loan Fund	966	282

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

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As at 30 June 2024 loans provided were either interest bearing or non-interest bearing basis and secured, with due regard to the credit worthiness of the producer and its track record for delivery, by a combination of:

- (a) a first ranking security over
 - film distributor's payments (in the case of loans for distribution guarantees);
 - payments by the federal Government through its Producer Offset Scheme (in the case of producer offset loans);
 - payments from the South Australian government (in the case of South Australian PDV loans).
- (b) a further security interest over the producer's company entitlement to gross proceeds from exploitation of the film;
- (c) where the borrower is a special purpose vehicle (SPV) created solely for the production of the film, surety provided by the parent company in the form of a Deed of Guarantee.

There were no impaired loans in 2024 or 2023.

7. LIABILITIES

Employee related liabilities are disclosed in note 2.4.

7.1 CATEGORISATION OF FINANCIAL LIABILITIES

	Notes	2024 Carrying amount (\$'000)	2023 Carrying amount (\$'000)
Financial liabilities			
Financial liabilities at amortised cost			
- Payables	7.2	2 071	91
Total financial liabilities		2 071	91

Payables as disclosed in this note does not include accrued expenses or statutory amounts as these are not financial instruments.

7.2 PAYABLES

	2024 \$'000	2023 \$'000
Current		
Contractual payables		
Creditors	2 071	91
Accrued expenses	1 518	198
Total current payables	3 589	289

Creditors and accrued expenses are raised 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. The carrying amount of payables represents fair value due to their short term nature.

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Creditors at 30 June 2024 are higher than the prior year due to invoices received at year end relating to PDV Rebate, Screen Production Fund and Industry Development (\$1.887m). Accrued expenses are also higher due to a PDV rebate applicant acquittal (\$1.164m).

Statutory payables do not arise from contracts. Statutory payables include government taxes and equivalents, statutory fees and charges and Audit Office of South Australia audit fees. This is in addition to employee related payables, such as payroll tax, Fringe Benefits Tax, Pay As You Go Withholding and ReturnToWorkSA levies. Statutory payables are carried at cost.

7.3 PROVISIONS

	Workers Compensation 2024 \$'000
<i>Movement in provisions</i>	
Carrying amount at the beginning of the period	12
Additional provisions	51
Amounts used	-
Carrying amount at the end of the period	63

The SAFC has no open workers compensation claims.

A provision has been reported to reflect unsettled workers compensation claims. The workers compensation provision is based on actuarial assessment of the outstanding liability as at 30 June 2024 provided by a consulting actuary engaged through the Office of the Commissioner for the Public Sector Employment. The provision is for the estimated cost of ongoing payments to employees as required under current legislation. The SAFC is responsible for the payment of workers compensation claims.

8. OTHER DISCLOSURES

8.1 CASH FLOW

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

9. CHANGES IN ACCOUNTING POLICY

No changes in accounting policy impacted the 2023-24 Financial Statements.

10. OUTLOOK

10.1 UNRECOGNISED CONTRACTUAL COMMITMENTS

There were no unrecognised contractual commitments as at 30 June 2024 or 30 June 2023.

10.2 CONTINGENT ASSETS AND LIABILITIES

Contingent assets and contingent liabilities are not recognised in the Statement of Financial Position, but are disclosed by way of a note and, if quantifiable, are measured at nominal value. Where production and screen industry program funding has been approved and the applicant has been advised the total funding is recorded as a contingent liability until there is evidence that the specific milestone requirements have been achieved. At this time, the amounts are recognised as expenses.

All provisional approvals of PDV and VGD Rebates are recognised as contingent liabilities. Once the final acquittals have been approved the amounts are recognised as expenses.

Contingent Assets are recognised for PDV and VGD Rebate income relating to PDV and VGD Rebate contingent liabilities.

	2024	2023
	\$'000	\$'000
Contingent Assets		
Production funding	9 265	-
Total contingent assets	9 265	-

	2024	2023
	\$'000	\$'000
Contingent Liabilities		
Production funding	11 756	14 072
Industry development program	172	492
Total contingent liabilities	11 928	14 564

10.3 EVENTS AFTER THE REPORTING PERIOD

Revolving Loan Facility

A loan of \$497,894 was approved by the Board in December 23, the drawdown occurred in July 2024. A loan of \$231,588 has been repaid in July 2024.

11. ADMINISTERED ITEMS

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

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

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

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	2024	2023
	\$'000	\$'000
Disbursement Returns Account		
Balance at 1 July	187	199
Add:		
Royalties and distribution advances	36	62
Less:		
Disbursements to investors	(12)	(74)
Balance at 30 June	211	187

	2024	2023
	\$'000	\$'000
Unclaimed Investor Returns Accounts		
Balance at 1 July	-	92
Add:		
Royalties and distribution advances	-	-
Less:		
Disbursements to investors/transferred to DTF	-	(92)
Balance at 30 June	-	-