

**South  
Australian  
Film  
Corporation**

**South Australian Film Corporation  
2016-17 Annual Report**

South Australian Film Corporation

226 Fullarton Road Glenside

[www.safilm.com.au](http://www.safilm.com.au)

Contact phone number 08 8394 2000

Contact email [communications@safilm.com.au](mailto:communications@safilm.com.au)

**ISSN** 0312-5262

**Date presented to Minister:** 2 November 2017

To: Minister for the Arts

This annual report is presented to Parliament to meet the statutory reporting requirements of *South Australian Film Corporation Act 1972* and meets the requirements of Premier and Cabinet Circular *PC013 Annual Reporting*.

This report is verified to be accurate for the purposes of annual reporting to the Parliament of South Australia.

Submitted on behalf of the South Australian Film Corporation by:

John Hill

Chair



2 November 2017

---

Signature

---

Date

Reason for late submission:

The annual report was delayed due to the financial statement auditing process. The financial statements were provided to the Auditor-General by 11 August 2017 as required, however the audit did not commence until 20 September 2017. Following the completion of the audit process the annual report was finalised as soon as practicable.

## Contents

<b>Contents</b> .....	<b>3</b>
<b>Section A: Reporting required under the <i>Public Sector Act 2009</i>, the <i>Public Sector Regulations 2010</i> and the <i>Public Finance and Audit Act 1987</i></b> .....	<b>4</b>
Agency purpose .....	4
Objectives .....	4
Key strategies and their relationship to SA Government objectives .....	5
Agency programs and initiatives and their effectiveness and efficiency .....	6
Legislation administered by the agency .....	8
Organisation of the agency .....	8
Other agencies related to this agency (within the Minister’s area/s of responsibility) .....	8
Employment opportunity programs .....	8
Agency performance management and development systems .....	8
Occupational health, safety and rehabilitation programs of the agency and their effectiveness .....	9
Fraud detected in the agency .....	9
Strategies implemented to control and prevent fraud .....	9
Whistle-blowers’ disclosure .....	9
Executive employment in the agency .....	10
Consultants .....	10
Financial performance of the agency .....	11
Other information requested by the Minister(s) or other significant issues affecting the agency or reporting pertaining to independent functions.....	12
<b>Section B: Reporting required under any other act or regulation</b> .....	<b>13</b>
<b>Section C: Reporting of public complaints as requested by the Ombudsman.</b>	<b>14</b>
Summary of complaints by subject .....	14
Complaint outcomes.....	14
<b>Appendix: Audited financial statements 2016-17</b> .....	<b>15</b>

## **Section A: Reporting required under the *Public Sector Act 2009*, the *Public Sector Regulations 2010* and the *Public Finance and Audit Act 1987***

### **Agency purpose**

#### ***Purpose***

To empower the South Australian screen production industry to achieve success.

#### ***Vision***

Our vision is to be a dynamic industry leader and the preferred (Government) partner for Australian and international screen production companies.

#### **Mission**

Our mission is to enable the growth and success of the South Australian independent screen production industry and by doing so contribute to the economic and cultural development of the state.

The SAFC is a statutory body established under the South Australian Film Corporation Act 1972. It is the lead agency in South Australia for the development, support and promotion of the screen industries. Since its inception, the SAFC has formed a vital part of South Australia's cultural and economic life. The SAFC has made a commitment to engaging directly with the local industry and to creating an environment that encourages creativity and is open to doing things differently.

#### **Objectives**

- Foster the growth and sustainability of the South Australian screen production industry
- Strengthen the brand of the South Australian screen production industry by telling its story to the world
- Operate as the nation's best practice agency
- Develop partnerships that can drive industry development and enhance the business of the South Australian Film Corporation.

## Key strategies and their relationship to SA Government objectives

Key strategy	SA Government objective
<ul style="list-style-type: none"> <li>– Position South Australia as a premium film location</li> <li>– Introduce boutique filmmaking facilities</li> <li>– Operate with integrity and communicate openly</li> <li>– Foster a vibrant and healthy screen industry culture</li> <li>– Operate with integrity and communicate openly</li> <li>– Take a bold approach to new opportunities</li> </ul>	<p>South Australia Strategic Plan (SASP) targets</p> <ul style="list-style-type: none"> <li>– SASP Target 100: Screen Industry</li> </ul> <p>Increase South Australia’s share of Australian film and screen production to 6%</p> <p>Strategic Priorities</p> <ul style="list-style-type: none"> <li>– Creating a vibrant city</li> <li>– Growing advanced manufacturing</li> </ul> <p>Economic Priorities</p> <ul style="list-style-type: none"> <li>– Priority 6 – Growth through innovation</li> <li>– Priority 7 – South Australia – the best place to do business</li> <li>– Priority 8 – Adelaide, the heart of the vibrant state</li> <li>– Priority 9 – Promoting South Australia’s international connections and engagement</li> <li>– Priority 10 – South Australia’s small business have access to capital and global markets.</li> </ul>

**Agency programs and initiatives and their effectiveness and efficiency**

Program name	Indicators of performance/effectiveness/efficiency			Comments
Production attraction	<b>Measure</b>	<b>Actual</b>	<b>Target</b>	Productions approved for funding must provide employment to the local SA industry. This supports the ongoing viability and new entrants to the industry.
SAFC: SA spend ratio	1:9.5	1:10		
22 projects commenced principal photography with a total spend of \$29.3m from an SAFC investment of \$3.1m				
1,171 jobs created equating to 290 full time equivalents				
(full time equivalents are based on comparative data drawn from the Deloitte Access Economic Report “Economic contribution of screen production in South Australia – April 2015”)				
Major co-productions with SA producers	3	3		
SA developed dramas commenced	5	2		
SA developed documentaries completed	4	5		
Inbound recce’s	14	17		
Top 20 Australian production companies travelled to South Australia	4	5		
Screen Industry programs – professional development	<b>Measure</b>	<b>Actual</b>	<b>Target</b>	Emerging screen practitioners require support to ensure they continue to build their expertise. The facilitation of these programs in South Australia provides development opportunities in addition to the ability to build collaborative relationships that would not otherwise occur
Indigenous attachments	6	2		
Professional development seminars	19	8		
Internships	7	4		
Practitioners receive first time credits	12	5		

Program name	Indicators of performance/effectiveness/efficiency			Comments										
Screen industry programs – project development	<table border="1"> <thead> <tr> <th data-bbox="384 277 863 309">Measure</th> <th data-bbox="868 277 975 309">Actual</th> <th data-bbox="979 277 1139 309">Target</th> </tr> </thead> <tbody> <tr> <td data-bbox="384 315 863 360">Aboriginal short films funded</td> <td data-bbox="868 315 975 360">5</td> <td data-bbox="979 315 1139 360">2</td> </tr> <tr> <td data-bbox="384 367 863 412">External financing partners</td> <td data-bbox="868 367 975 412">4</td> <td data-bbox="979 367 1139 412">2</td> </tr> <tr> <td data-bbox="384 418 863 495">Matched funding initiatives with national or international partners</td> <td data-bbox="868 418 975 463">3</td> <td data-bbox="979 418 1139 463">3</td> </tr> </tbody> </table>	Measure	Actual	Target	Aboriginal short films funded	5	2	External financing partners	4	2	Matched funding initiatives with national or international partners	3	3	<p>Access to funds for project development or short films are scarce, particularly for uncredited practitioners. These programs provide a small component of funding to support the development of projects and thereby the practitioners themselves.</p>
Measure	Actual	Target												
Aboriginal short films funded	5	2												
External financing partners	4	2												
Matched funding initiatives with national or international partners	3	3												
Promotion of South Australia as a hub of screen industry excellence	<table border="1"> <thead> <tr> <th data-bbox="384 869 863 900">Measure</th> <th data-bbox="868 869 975 900">Actual</th> <th data-bbox="979 869 1139 900">Target</th> </tr> </thead> <tbody> <tr> <td data-bbox="384 907 863 952">Increase in facebook likes</td> <td data-bbox="868 907 975 952">33%</td> <td data-bbox="979 907 1139 952">10%</td> </tr> <tr> <td data-bbox="384 958 863 1003">Increase in studio income</td> <td data-bbox="868 958 975 1003">25%</td> <td data-bbox="979 958 1139 1003">10%</td> </tr> <tr> <td data-bbox="384 1010 863 1055">Stakeholder/networking events</td> <td data-bbox="868 1010 975 1055">30</td> <td data-bbox="979 1010 1139 1055">33</td> </tr> </tbody> </table>	Measure	Actual	Target	Increase in facebook likes	33%	10%	Increase in studio income	25%	10%	Stakeholder/networking events	30	33	<p>Promotional activities to ensure national and international producers have an awareness of the capabilities in South Australia thereby driving further production commissioning in the State.</p>
Measure	Actual	Target												
Increase in facebook likes	33%	10%												
Increase in studio income	25%	10%												
Stakeholder/networking events	30	33												

## Legislation administered by the agency

*South Australian Film Corporation Act 1972*

## Organisation of the agency

The SAFC has 3 key functional groups:

- Office of the Chief Executive
- Production Development and Studios
- Corporate Services and Finance

## Other agencies related to this agency (within the Minister's area/s of responsibility)

NA

## Employment opportunity programs

NA

## Agency performance management and development systems

<b>Performance management and development system</b>	<b>Assessment of effectiveness and efficiency</b>
SAFC performance management program Compliance is measured by the number of employees employed at the time who completed a performance agreement during the annual review cycle (October) and staff are aware of the strategic plan.	100% staff completed performance agreement during the annual review cycle who were employed at the time. Staff survey indicates 86% staff have an awareness of the strategic plan.

## Occupational health, safety and rehabilitation programs of the agency and their effectiveness

Occupational health, safety and rehabilitation programs	Effectiveness
<p>SAFC WHS program</p> <p>Program is built upon the Department of State Development WHS program and includes the local WHS committee operations, hazard register, corrective action register, internal audits, building inspections and governance reporting.</p>	<p>No claims were made in the 2016-17 financial year resulting in zero lost time claims.</p> <p>Reporting was effective with 100% of reports to the Risk and Audit committee tabled in accordance with the committee calendar.</p>

## Fraud detected in the agency

Category/nature of fraud	Number of instances
Financial fraud	0

## Strategies implemented to control and prevent fraud

The South Australian Film Corporation has a Fraud and Corruption Prevention policy issued to all staff, an extensive internal control environment including a sophisticated delegation policy, regular financial report review and internal audit program and governance oversight by the Risk and Audit Committee and the Board.

Data for the past five years is available at: <http://www.safilm.com.au/about/corporate-publications/>

## Whistle-blowers' disclosure

Number of occasions on which public interest information has been disclosed to a responsible officer of the agency under the *Whistle-blowers' Protection Act 1993* 0

Data for the past five years is available at: <http://www.safilm.com.au/about/corporate-publications/>

## Executive employment in the agency

Executive classification	Number of executives
SAES 1	1

Data for the past five years is available at: <http://www.safilm.com.au/about/corporate-publications/>

For further information, the [Office for the Public Sector](#) has a [data dashboard](#) for further information on the breakdown of executive gender, salary and tenure by agency.

## Consultants

The following is a summary of external consultants that have been engaged by the agency, the nature of work undertaken and the total cost of the work undertaken.

Consultants	Purpose	Value \$'000
All consultancies below \$10,000 each	Stakeholder engagement, sound equipment expert advice	\$7
<b>Consultancies above \$10,000 each</b>		
Oztrain	Strategic and operational planning	\$10
<b>Total all consultancies</b>		<b>\$17</b>

Data for the past five years is available at: <http://www.safilm.com.au/about/corporate-publications/>

See also <https://www.tenders.sa.gov.au/tenders/index.do> for a list of all external consultancies, including nature of work and value. See also the Consolidated Financial Report of the Department of Treasury and Finance <http://treasury.sa.gov.au/> for total value of consultancy contracts across the SA Public Sector.

## Financial performance of the agency

The following is a brief summary of the overall financial position of the agency. The information is unaudited. Full audited financial statements for 2016-17 are attached to this report.

As a result of the screen production industry's lengthy development and production timeframes, the SAFC oversees a portfolio of investment commitments over multiple years.

On an annual basis the SAFC manages three budget lines: Operations, Screen Industry Programs and Production Funding.

**Operations** are funded by a mix of Adelaide studio income and funding from Government. Revenue including funding from Government for 2016-17 was \$2.963m resulting in a surplus of \$250,000.

**Screen Industry** programs relate to programs undertaken by the SAFC to support the skills and capabilities of screen industry practitioners and company viability. Screen Industry programs are fully funded by government funds to the value \$1.548m.

During the 2016-17 year screen industry programs returned a small surplus of \$139,000.

**Production funding** relates to the production of screen content including drama and documentary. In particular projects that are creative and original, possess overall appeal to diverse audiences, display good market prospects or have significant economic benefits to the South Australian production and post-production screen sector. Funding to the production is by way of investment or grant.

During the 2016-17 year 14 productions with an SA spend of \$34.7m have been recognised in the SAFC accounts as an expense within the Production funding budget line. The SAFC investment on these projects was \$4.8m which results in an SAFC:SA spend ratio of 1:7.3. Some of these projects commenced principal photography during the financial year with the balance due to occur in the 2017-18 year.

The SAFC sources funding for this area of activities through a combination of Government funding and SAFC retained earnings reserves. SA Government funding provided was \$2m. Any use of retained earnings reserves will naturally result in a deficit position in the current financial year due to accounting recognition requirements and in line with established practice.

The SAFC board makes judgments about drawing on retained earnings reserves for productions on a case-by-case basis. Importantly, any investment in productions is required to return to the South Australian economy by way of increased spending in the state.

## Other financial information

Nil to report

**Other information requested by the Minister(s) or other significant issues affecting the agency or reporting pertaining to independent functions**

Nil to report

## **Section B: Reporting required under any other act or regulation**

Not Applicable.

## Section C: Reporting of public complaints as requested by the Ombudsman

### Summary of complaints by subject

<b>Public complaints received by South Australian Film Corporation</b>	
<b>Category of complaints by subject</b>	<b>Number of instances</b>
Corporation involvement in a specific production development agreement executed 1999.	Multiple approaches to the agency in relation to a single complainant.

Data for the past five years is available at: <http://www.safilm.com.au/about/corporate-publications/>

### Complaint outcomes

<b>Nature of complaint or suggestion</b>	<b>Services improved or changes as a result of complaints or consumer suggestions</b>
Corporation involvement in a specific production development agreement executed 1999.	No change to SAFC practices required.

## **Appendix: Audited financial statements 2016-17**

## INDEPENDENT AUDITOR'S REPORT



Government of South Australia  
Auditor-General's Department

Level 9  
State Administration Centre  
200 Victoria Square  
Adelaide SA 5000  
DX 56208  
Victoria Square  
Tel +618 8226 9640  
Fax +618 8226 9688  
ABN 53 327 061 410  
audgensa@audit.sa.gov.au  
www.audit.sa.gov.au

### To the Chairman South Australian Film Corporation

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 2017.

### Opinion

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 2017, its financial performance and its cash flows for the year then ended in accordance with the Treasurer's Instructions promulgated 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 2017
- a Statement of Financial Position as at 30 June 2017
- a Statement of Changes in Equity for the year ended 30 June 2017
- a Statement of Cash Flows for the year ended 30 June 2017
- notes, comprising significant accounting policies and other explanatory information
- a Certificate from the Chair, the Chief Executive Officer and the Head of Corporate Services and 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 have been met.

I believe that the audit evidence 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 is responsible for the preparation of the financial report that gives a true and fair view in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and the 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 is free from material misstatement, whether due to fraud or error.

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**

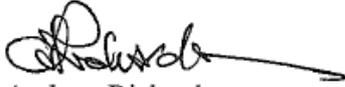
My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an 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
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive Officer
- 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 the members of the South Australian Film Corporation Board regarding, 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 black ink, appearing to read 'Andrew Richardson', with a long horizontal flourish extending to the right.

Andrew Richardson

**Auditor-General**

20 October 2017

## Certification of Financial Statements

We certify that the attached general purpose financial statements for the South Australian Film Corporation:

- comply with relevant Treasurer' instructions issued under section 41 of the Public Finance and Audit Act 1987, and relevant Australian Accounting Standards;
- are in accordance with the accounts of the South Australian Film Corporation; and
- present a true and fair view of the financial position of the South Australian Film Corporation as at 30 June 2017 and the results of its operation and cash flows for the financial year.

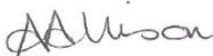
We certify that the internal controls employed by the South Australian Film Corporation for the financial year over its financial reporting and its preparation of the general purpose financial statements have been effective throughout the reporting period.



John Hill  
Chair  
18 October 2017



Annabelle Sheehan  
Chief Executive Officer  
18 October 2017



Angela Allison  
Head of Corporate Services and Finance  
18 October 2017

**STATEMENT OF COMPREHENSIVE INCOME**

For the year ended 30 June 2017

	Note No.	2017 \$'000	2016 \$'000
<b>OPERATIONS</b>			
<b>Expenses</b>			
Employee benefits expenses	5	1 474	1 448
Supplies and services	6	1 082	1 271
Depreciation	7	136	323
Net loss from disposal of non-current assets	8	21	3
<b>Total operations expenses</b>		<b>2 713</b>	<b>3 045</b>
<b>Income</b>			
Studio hire		826	715
Interest revenues	10	186	248
Film distribution returns		75	185
Other revenues	11	24	74
<b>Total operations income</b>		<b>1 111</b>	<b>1 222</b>
<b>Net cost of providing services for operations</b>		<b>1 602</b>	<b>1 823</b>
Revenue from SA Government	9	1 852	2 115
<b>Net result from Operations</b>		<b>250</b>	<b>292</b>
<b>SCREEN INDUSTRY PROGRAMS</b>			
<b>Expenses</b>			
Screen Industry programs	2k,4	1 409	1 573
<b>Total Screen Industry expenses</b>		<b>1 409</b>	<b>1 573</b>
<b>Net cost of providing services for Screen Industry programs</b>		<b>1 409</b>	<b>1 573</b>
Revenue from SA government	9	1 548	1 543
<b>Net result from Screen Industry programs</b>		<b>139</b>	<b>(30)</b>
<b>PRODUCTION FUNDING</b>			
<b>Expenses</b>			
Production Funding	2l	4 275	2 363
<b>Total Production Funding expenses</b>		<b>4 275</b>	<b>2 363</b>
<b>Net cost of providing services for Production funding</b>		<b>4 275</b>	<b>2 363</b>
Revenue from SA government	9	2 000	2 100
<b>Net result from Production Funding</b>		<b>(2 275)</b>	<b>(263)</b>
<b>Total Comprehensive Result</b>		<b>(1 886)</b>	<b>(1)</b>

The net result and total comprehensive result are attributable to the SA Government as owner.  
The above statement should be read in conjunction with the accompanying notes.

**STATEMENT OF FINANCIAL POSITION**

As at 30 June 2017

	Note No.	2017 \$'000	2016 \$'000
<b>Current assets</b>			
Cash and cash equivalents	12	7 418	6 362
Revolving Film loans	14	50	1 897
Receivables	13	312	194
<b>Total current assets</b>		<b>7 780</b>	<b>8 453</b>
<b>Non-current assets</b>			
Revolving Film loans	14	362	-
Equipment	15	571	505
<b>Total non-current assets</b>		<b>933</b>	<b>505</b>
<b>Total assets</b>		<b>8 713</b>	<b>8 958</b>
<b>Current liabilities</b>			
Payables	16	4 417	2 815
Employee benefits	17	80	58
Revenue in advance		20	20
<b>Total current liabilities</b>		<b>4 517</b>	<b>2 893</b>
<b>Non-current liabilities</b>			
Employee benefits	17	114	97
Payables	16	6	6
Provisions	18	6	6
<b>Total non-current liabilities</b>		<b>126</b>	<b>109</b>
<b>Total liabilities</b>		<b>4 643</b>	<b>3 002</b>
<b>Net Assets</b>		<b>4 070</b>	<b>5 956</b>
<b>Equity</b>			
Contributed capital		8 460	8 460
Retained earnings		(4 390)	(2 504)
<b>Total Equity</b>	19	<b>4 070</b>	<b>5 956</b>
Unrecognised contractual commitments	2m,20		
Contingent assets and liabilities	2m,21		

The total equity is attributable to the SA Government as owner.

The above statement should be read in conjunction with the accompanying notes.

**STATEMENT OF CHANGES IN EQUITY**

For the year ended 30 June 2017

	Note No.	Contributed capital \$'000	Retained earnings \$'000	Total Equity \$'000
Balance at 30 June 2015		8 460	(2 384)	6 076
Net result for 2015-16		-	(1)	(1)
<b>Balance at 30 June 2016</b>		<b>8 460</b>	<b>(2 385)</b>	<b>6 075</b>
Correction to screen industry programs	19	-	(119)	(119)
<b>Restated Balance at 30 June 2016</b>		<b>8 460</b>	<b>(2 504)</b>	<b>5 956</b>
Net result for 2016-17		-	(1 886)	(1 886)
<b>Balance at 30 June 2017</b>	19	<b>8 460</b>	<b>(4 390)</b>	<b>4 070</b>

All changes in equity are attributable to the SA Government as owner.  
The above statement should be read in conjunction with the accompanying notes.

**STATEMENT OF CASH FLOWS**

For the year ended 30 June 2017

	Note No.	2017 \$'000	2016 \$'000
<b>Cash flows from operating activities</b>			
<b>Cash outflows</b>			
Screen Industry programs		(1 798)	(1 648)
Production Funding		(3 082)	(1 809)
Employee benefits payments		(1 434)	(1 606)
Payments for supplies and services		(876)	(1 725)
Revolving Film loan advances		(362)	(1 449)
<b>Cash used in operations</b>		<b>(7 552)</b>	<b>(8 237)</b>
<b>Cash inflows</b>			
Revolving Film loan repayments		1 847	1 721
Studio hire and Other income		968	1 017
Interest received		186	200
GST received from the ATO		430	304
<b>Cash generated from operations</b>		<b>3 431</b>	<b>3 242</b>
<b>Cash flows from SA Government</b>			
Receipts from SA Government		5 400	5 758
<b>Cash generated from SA Government</b>		<b>5 400</b>	<b>5 758</b>
<b>Net cash provided by/(used in) operating activities</b>		<b>1 279</b>	<b>763</b>
<b>Cash flows from investing activities</b>			
<b>Cash outflows</b>			
Purchase of property, plant and equipment		(223)	(14)
<b>Cash used in investing activities</b>		<b>(223)</b>	<b>(14)</b>
<b>Net cash provided by/(used in) investing activities</b>		<b>(223)</b>	<b>(14)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>1 056</b>	<b>749</b>
Cash and cash equivalents at the beginning of the period		6 362	5 613
<b>Cash and cash equivalents at the end of the period</b>	12	<b>7 418</b>	<b>6 362</b>

The above statement should be read in conjunction with the accompanying notes.

## NOTE INDEX

Objectives of South Australian Film Corporation	Note 1
Significant accounting policies	Note 2
New and revised accounting standards and policies	Note 3
<b>Expense notes</b>	
Screen Industry programs	Note 4
Employee benefits	Note 5
Supplies and services	Note 6
Depreciation	Note 7
Net loss from disposal of non-current assets	Note 8
<b>Income notes</b>	
Revenue from SA Government	Note 9
Interest revenues	Note 10
Other revenues	Note 11
<b>Asset notes</b>	
Cash and cash equivalents	Note 12
Receivables	Note 13
Revolving Film loans	Note 14
Equipment	Note 15
<b>Liability notes</b>	
Payables	Note 16
Employee benefits	Note 17
Provisions	Note 18
<b>Equity notes</b>	
Equity	Note 19
<b>Other notes</b>	
Unrecognised contractual commitments	Note 20
Contingent assets and contingent liabilities	Note 21
Remuneration of Board members	Note 22
Related party transactions	Note 23
Financial risk management/financial instruments	Note 24
Events after the reporting period	Note 25
Administered Items	Note 26

## Note 1 Objectives of South Australian Film Corporation

The core functions of the South Australian Film Corporation (SAFC) are:

- to foster the creation and delivery of critically acclaimed and commercially successful ideas, moving images and sound for any viewing medium;
- to support the SA screen industry in a dynamic and responsive manner; and
- to optimise opportunities for production and post-production in South Australia.

The SAFC provides financial assistance by way of grants, loans and equity investments across 2 key programs of Screen Industry programs and Production Funding and provides access to professional development opportunities to screen industry practitioners via workshops, seminars and information.

The SAFC's principal sources of funds are State Government grants, investment income, revenue from studio and facilities hire and distribution returns.

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

## Note 2 Significant accounting policies

### a) Statement of compliance

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

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

The SAFC has applied Australian Accounting Standards that are applicable to not-for-profit entities, as the SAFC is a not-for-profit entity.

### b) Basis of preparation

The preparation of the financial statements requires:

- the use of certain accounting estimates and requires management to exercise its judgement in the process of applying the SAFC's accounting policies. The areas involving a higher degree of judgement or where assumptions and estimates are significant to the financial statements are outlined in the applicable notes;
- accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substances of the underlying transactions or other events are reported; and
- compliance with Accounting Policy Statements issued pursuant to section 41 of the *Public Finance and Audit Act 1987*. In the interest of public accountability and transparency the accounting policy statements require the following note disclosures, which have been included in this financial report:
  - a) expenses incurred as a result of engaging consultants;
  - b) employees whose normal remuneration is equal to or greater than the base executive remuneration level (within \$10 000 bandwidths) and the aggregate of the remuneration paid or payable or otherwise made available, directly or indirectly by the entity to those employees; and

- c) Board/committee member and remuneration information, where a Board/committee member is entitled to receive income from membership other than a direct out-of-pocket reimbursement.

The SAFC's Statement of Comprehensive Income, Statement of Financial Position, and Statement of Changes in Equity have been prepared on an accrual basis and are in accordance with historical cost convention, except for certain assets that were valued in accordance with the valuation policy applicable.

The Statement of Cash Flows has been prepared on a cash basis.

The financial statements have been prepared based on a 12 month period and presented in Australian currency.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2017 and the comparative information presented.

### **c) Reporting entity**

The SAFC is a Board, established pursuant to the *South Australian Film Corporation Act 1972*.

The financial statements and accompanying notes include all funds which the SAFC controls to perform its functions.

The SAFC does not control any other entity and has no interests in unconsolidated structured entities. The SAFC has not entered into any contractual arrangements which involve the sharing of control or significant influence over another entity.

### **d) Comparative information**

The presentation and classification of items in the financial statements are consistent with prior periods except where specific accounting standards and/or accounting policy statements have required a change.

The restated comparative amounts do not replace the original financial statements for the preceding period.

### **e) Rounding**

All amounts in the financial statements and accompanying notes have been rounded to the nearest thousand dollars (\$'000).

### **f) Taxation**

The SAFC is not subject to income tax. The SAFC is liable for payroll tax, fringe benefits tax and goods and services tax (GST).

Income, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office (ATO), in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the Statement of Financial Position.

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.

#### **g) Events after the reporting period**

Adjustments are made to amounts recognised in the financial statements, where an event occurs after 30 June and before the date the financial statements are authorised for issue, where those events provide information about conditions that existed at 30 June.

Note 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.

#### **h) Current and non-current classification**

Assets and liabilities that are to be sold, consumed or realised as part of the normal operating cycle even when they are not expected to be realised within twelve months after the reporting date have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

#### **i) Non-Current Assets**

##### *Acquisition and recognition*

Non-current assets are initially recorded at cost or at the value of any liabilities assumed plus any incidental cost with the acquisition. Non-current assets are subsequently measured at fair value after allowing for accumulated depreciation.

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

However, if the assets are acquired at no or nominal value as part of a restructure of administrative arrangements then the assets are recognised at book value ie the amount recorded by the transferor public authority immediately prior to the restructure.

All non-current tangible assets with a value equal to or in excess of \$1 000 are capitalised.

##### *Depreciation*

All non-current assets, having a limited useful life, are systematically depreciated over their useful lives in a manner that reflects the consumption of their service potential. Assets' residual values, useful lives are reviewed and adjusted if appropriate, on an annual basis.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the time period or method, as appropriate, which is a change in accounting estimate.

Depreciation is calculated on a straight-line basis over the estimated useful life of the following classes of assets as follows:

<b>Class of asset</b>	<b>Useful life (years)</b>
Production Equipment	3-25
Office Equipment	4-20

### *Impairment*

The SAFC holds its equipment for their service potential (value in use).

All non-current tangible assets are valued at fair value. Specialist assets would rarely be sold and typically any costs of disposal would be negligible, accordingly the recoverable amount will be close to or greater than fair value.

The SAFC also expects for all other non-current tangible assets that any cost of disposal will be negligible, and the recoverable amount will be close to or greater than fair value.

### *Fair value measurement - Non-financial assets*

In determining fair value, the SAFC has taken into account the characteristic of the asset (eg condition and location of the asset and any restrictions on the sale or use of the asset) and the asset's highest and best use (that is physically possible, legally permissible, financially feasible).

The SAFC's current use is the highest and best use of the asset unless other factors suggest an alternative use is feasible within the next five years. As the SAFC did not identify any factors to suggest an alternative use, fair value measurement was based on current use.

The carrying amount of non-financial assets with a fair value at the time of acquisition that was less than \$1 million or an estimated useful life that was less than three years are deemed to approximate fair value.

## **j) Liabilities**

### *Employee benefits*

These benefits accrue for employees as a result of services provided up to the reporting date that remain unpaid. Long-term employee benefits are measured at present value and short-term employee benefits are measured at nominal amounts.

### Salaries and wages, annual leave and sick leave

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

The annual leave 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 for sick leave.

### 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 estimated liability for long service leave is based on actuarial assumptions over expected future salary and wage levels, experience of employee departures and periods of service. These assumptions are based on employee data over SA Government entities.

Expected future payments are discounted using market yields at the end of the reporting period on government bonds with durations that match, as closely as possible, the estimated future cash outflows.

The SAFC is not expecting any payment for long service leave in the next 12 months. As a result the full quantum of long service leave has been classified as non-current.

#### **k) Screen Industry programs**

Screen industry programs are undertaken by the SAFC to support the skills and capabilities of screen industry practitioners and company viability. Programs are generally categorised as Production attraction, Professional development, Project development and Company support. These programs are recognised as an expense upon approval given the applicant is advised of the approval and there is sufficient certainty the obligation to pay.

Where the funding is for a specific financial year the expense is recognised in that financial year. Prior to that year the obligation is recognised as an unrecognised contractual commitment where a contract has been executed.

#### **l) Production Funding**

Production Funding relates to the SAFC contribution towards the production of digital content including drama and documentary screen content. In particular, projects that are creative and original, possess overall appeal to diverse audiences, display good market prospects and have significant economic benefits to the South Australian production and post-production screen sector. Funding to the production is by way of investment or grant and the SAFC is one of a number of funding partners.

At the point of approval there is always a degree of uncertainty in relation to the projects proceeding given the number of parties to the agreements. As a result production funding is only recognised as an expense when there is sufficient certainty the project will proceed. Prior to that point the obligation is recognised as a contingent liability.

#### **m) Unrecognised contractual commitments and contingent assets and liabilities**

Commitments include Screen Industry projects for funding for a future financial year that have been contractually committed.

Where production funding has been approved and there remains a degree of uncertainty that the projects will proceed, the approval is recognised in contingent 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.

Unrecognised contractual commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the Australian Taxation Office. If GST is not payable to, or recoverable from, the Australian Taxation Office, the commitments and contingencies are disclosed on a gross basis.

### **Note 3 New and Revised Accounting Standards and Policies**

The SAFC did not voluntarily change any of its accounting policies during 2016-17.

**Note 4 Screen Industry Programs**

	<b>2017</b> <b>\$'000</b>	<b>2016</b> <b>\$'000</b>
Production attraction	142	163
Professional development	444	360
Project development	578	603
Company support	245	447
<b>Total Screen Industry programs</b>	<b>1 409</b>	<b>1 573</b>

**Note 5 Employee Benefits**

	<b>2017</b> <b>\$'000</b>	<b>2016</b> <b>\$'000</b>
Salaries	1 164	1 207
Annual leave	95	61
LSL	18	(120)
Employment on-costs – superannuation*	119	117
Employment on-costs – other	46	47
Board fees	32	52
Workers compensation	-	84
<b>Total employee benefits expenses</b>	<b>1 474</b>	<b>1 448</b>

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

**Remuneration of employees**

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

	<b>2017</b> <b>No</b>	<b>2016</b> <b>No</b>
\$167 001 to \$177 000	-	1
\$217 001 to \$227 000	1	-
<b>Total</b>	<b>1</b>	<b>1</b>

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 for the year was \$220 000 (\$168 000).

**Note 6 Supplies and Services**

	<b>2017</b> <b>\$'000</b>	<b>2016</b> <b>\$'000</b>
Utility and communication expenses	174	212
Computer and related expenses	147	172
Audit and legal fees	103	194
Industry promotion and participations	129	115
Staff related expenses	32	117
Tenant and production recovered charges	156	116
General administrative expenses	131	151
Facility expenses	109	99
Travel	40	44
Minor asset purchase and maintenance	44	33
Consultants	17	18
<b>Total supplies and services</b>	<b>1 082</b>	<b>1 271</b>

The total supplies and services amount disclosed includes GST amounts not recoverable from the ATO due to the SAFC not holding a tax invoice or payments relating to third party arrangements.

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

	<b>No</b>	<b>2017</b> <b>\$'000</b>	<b>No</b>	<b>2016</b> <b>\$'000</b>
Below \$10 000	2	7	1	1
Above \$10 000	1	10	1	17
<b>Total paid /payable to the consultants engaged</b>	<b>3</b>	<b>17</b>	<b>2</b>	<b>18</b>

**Note 7 Depreciation**

	<b>2017</b> <b>\$'000</b>	<b>2016</b> <b>\$'000</b>
<b>Depreciation</b>		
Production equipment	72	155
Office equipment	64	168
<b>Total depreciation</b>	<b>136</b>	<b>323</b>

**Note 8 Net Loss from the Disposal of Non-Current Asset**

	<b>2017 \$'000</b>	<b>2016 \$'000</b>
Proceeds from disposal	-	-
Less net book value of assets disposed	21	3
<b>Net loss from disposal of Non-Current Assets</b>	<b>21</b>	<b>3</b>

Losses on disposal of assets are recognised at the date control of the asset is passed to the buyer.

**Note 9 Revenue from SA Government**

	<b>2017 \$'000</b>	<b>2016 \$'000</b>
Operations	1 852	2 115
Screen Industry Programs	1 548	1 543
Production Funding	2 000	2 100
<b>Total revenue from SA Government</b>	<b>5 400</b>	<b>5 758</b>

The SAFC is funded via Arts South Australia for activities undertaken. The SAFC is required to seek approval from the Minister for the annual budget allocation against various activities. That approval delineates the funding allocation to the three areas of operations of the SAFC of Operations, Screen Industry programs and Production Funding. The allocation of funding against these areas of activities is not amended during the year unless supplemented by additional funding approved for specific purposes.

**Note 10 Interest Revenues**

	<b>2017 \$'000</b>	<b>2016 \$'000</b>
Revolving Film loans	105	154
Deposits with the SA Government Financing Authority	74	84
Deposits with non-SA Government financial institutions	7	10
<b>Total interest revenues</b>	<b>186</b>	<b>248</b>

**Note 11 Other Revenues**

	<b>2017 \$'000</b>	<b>2016 \$'000</b>
Revolving Film loan administration fees	7	29
Asset acquired at no cost	-	24
Sundry Income	17	21
<b>Total other revenues</b>	<b>24</b>	<b>74</b>

**Note 12 Cash and Cash Equivalents**

	<b>2017</b> <b>\$'000</b>	<b>2016</b> <b>\$'000</b>
Cash at bank and on hand	485	208
Short-term deposits with SAFA	6 933	6 154
<b>Total cash and cash equivalents</b>	<b>7 418</b>	<b>6 362</b>

Cash is measured at nominal amounts.

**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.

**Note 13 Receivables**

	<b>2017</b> <b>\$'000</b>	<b>2016</b> <b>\$'000</b>
<b>Current</b>		
Receivables	153	92
Less allowance for doubtful debts	(1)	-
Prepayments	44	28
Accrued revenues	30	32
GST input tax recoverable	86	42
<b>Total current receivables</b>	<b>312</b>	<b>194</b>

**Movement in the allowance for doubtful debts**

The allowance for doubtful debts (allowance for impairment loss) is recognised when there is objective evidence (ie calculated on past experience and current and expected changes in client credit rating) that a receivable is impaired.

An allowance for impairment loss has been recognised where required in other expenses in the Statement of Comprehensive Income for specific debtors for which such evidence exists.

	<b>2017</b> <b>\$'000</b>	<b>2016</b> <b>\$'000</b>
<b>Carrying amount at the beginning of the period</b>	-	-
Increase in the allowance	1	-
<b>Carrying amount at the end of the period</b>	<b>1</b>	<b>-</b>

Receivables arise in the normal course of providing services to the public. Receivables are normally settled within 30 days after the issue of an invoice or the services have been provided under a contractual arrangement. Receivables, prepayments and accrued revenue are non-interest bearing. Collectability of receivables is reviewed on an ongoing basis. An allowance for doubtful debts is raised when there is objective evidence that the SAFC will not be able to collect the debt.

#### Note 14 Revolving Film Loans

	2017 \$'000	2016 \$'000
Current	50	1 897
Non –Current	362	-
<b>Total Revolving Film loans</b>	<b>412</b>	<b>1 897</b>

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

As at 30 June 2017 loans were provided on an 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 guarantees provided by either
  - I. film distributors and/or sales agents: or
  - II. the Federal Government through its Producer Offset Scheme;
- (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; and
- (d) in exceptional circumstances, when a bank guarantee may be required.

There were no impaired loans in 2017 or 2016.

#### Note 15 Equipment

	2017 \$'000	2016 \$'000
<b>Production Equipment</b>		
Production equipment at cost (deemed fair value)	1 217	1 088
Accumulated depreciation at the end of the period	(942)	(892)
<b>Total production equipment</b>	<b>275</b>	<b>196</b>
Office equipment at cost (deemed fair value)	1 039	1 030
Accumulated depreciation at the end of the period	(743)	(721)
<b>Total office equipment</b>	<b>296</b>	<b>309</b>
<b>Total equipment</b>	<b>571</b>	<b>505</b>

**Carrying amount of equipment**

All items of production and office equipment had a fair value at the time of acquisition that was less than \$1 million or had an estimated useful life less than 3 years old and have not been revalued in accordance with APF III. The carrying value of these items are deemed to approximate fair value.

**Impairment**

There were no indications of impairment of equipment at 30 June 2017.

**Reconciliation of Equipment**

The following table shows the movement of equipment

	Production equipment \$'000	Office equipment \$'000	Total \$'000
<b>Carrying amount at the beginning of the period</b>	196	309	505
Acquisitions	152	71	223
Disposals eg sales, write off	(1)	(20)	(21)
Depreciation and amortisation	(72)	(64)	(136)
<b>Carrying amount at the end of the period</b>	<b>275</b>	<b>296</b>	<b>571</b>

**Note 16 Payables**

	2017 \$'000	2016 \$'000
<b>Current</b>		
Production funding	3 371	1 885
Screen Industry programs	521	740
Accrued expenses	510	181
Employment on-costs^	10	9
Creditors	5	-
<b>Total current payables</b>	<b>4 417</b>	<b>2 815</b>
<b>Non-current</b>		
Employment on-costs	6	6
<b>Total non-current payables</b>	<b>6</b>	<b>6</b>
<b>Total payables</b>	<b>4 423</b>	<b>2 821</b>

^Employment on-costs include payroll tax and superannuation contributions. The SAFC makes contributions to several externally managed and 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.

As a result of an actuarial assessment performed by the Department of Treasury and Finance, the proportion of long service leave taken as leave remains unchanged from the 2015-16 rate (40%).

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

### Note 17 Employee Benefits

	2017 \$'000	2016 \$'000
<b>Current</b>		
Accrued salaries and wages	25	15
Annual leave	55	43
<b>Total current employee benefits</b>	<b>80</b>	<b>58</b>
<b>Non-current</b>		
Long service leave	114	97
<b>Total non-current employee benefits</b>	<b>114</b>	<b>97</b>
<b>Total employee benefits</b>	<b>194</b>	<b>155</b>

AASB 119 contains the calculation methodology for long service leave liability. The actuarial assessment performed by the Department of Treasury and Finance has provided a basis for the measurement of long service leave. AASB 119 requires the use of the yield on long-term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long-term Commonwealth Government bonds has increased from 2016 (2%) to 2017 (2.5%).

This increase in the bond yield, which is used as the rate to discount future long service leave cash flows, results in a decrease in the reported long service leave.

The net financial effect of the changes to actuarial assumptions in the current financial year in addition to staffing changes is a decrease in the long service leave liability and long service leave expense of \$6,000 (2016 impact was immaterial). The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of financial assumptions – including the long-term discount rate.

The actuarial assessment performed by the Department of Treasury and Finance left the salary inflation rate at 4% for long service leave liability. As a result, there is no net financial effect resulting from changes in the salary inflation rate.

**Note 18 Provisions**

	<b>2017 \$'000</b>	<b>2016 \$'000</b>
<b>Non-current</b>		
Provision for workers compensation	6	6
<b>Total non-current provisions</b>	6	6
<b>Total provisions</b>	6	6
<b>Carrying amount at the beginning of the period</b>	6	3
Additional provisions	-	122
Amounts used	-	(119)
<b>Carrying amount at the end of the period</b>	6	6

The SAFC has no open workers compensation claims. The workers compensation provision is based on management's best estimate of the expenditure required to settle incidents incurred but not reported as of 30 June which would not be expected to be lodged and settled within the next financial year.

**Note 19 Equity**

	<b>2017 \$'000</b>	<b>2016 \$'000</b>
Contributed capital	8 460	8 460
Accumulated surplus	(4 390)	(2 504)
<b>Total equity</b>	4 070	5 956

The accumulated surplus for 2015-16 has been amended by \$119,000 in relation to screen industry programs. This correction relates to \$150,000 of prepaid expenses transferred to equity offset by \$31,000 payables reversal and ensures that the payments are linked to the deliverables acquitted in any financial year.

**Note 20 Unrecognised Contractual Commitments**

	<b>2017 \$'000</b>	<b>2016 \$'000</b>
<b>Screen Industry programs</b>		
Within one year	125	378
Later than one year but not longer than 5 years	-	10
<b>Total unrecognised contractual commitments</b>	125	388

**Note 21 Contingent assets and liabilities**

	<b>2017 \$'000</b>	<b>2016 \$'000</b>
<b>Liabilities</b>		
Production funding	1 460	1 236
<b>Total contingent liabilities</b>	1 460	1 236

There were no other known contingent assets.

## Note 22 Remuneration of Board Members

Members during the 2017 financial year were:

Ms Kate Croser  
 Mr John Hill (Chair)  
 Ms Susan Mitchell  
 Mr Des Monaghan  
 Ms Miriam Silva  
 Mr Adrian Tisato  
 Mr Chris Ward  
 Ms Elizabeth Watts

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

	2017 No	2016 No
\$0 - \$ 9 999	8	7
\$10 000 - \$19 999	-	1
<b>Total</b>	<b>8</b>	<b>8</b>

Remuneration of members reflects all costs of performing board member duties including sitting fees, superannuation contributions and salary sacrifice benefits. The total remuneration received for the year was \$31,000 (\$52,000).

Unless otherwise disclosed, transactions between members 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 arms' length in the same circumstances.

## Note 23 Related Party Transactions

The SAFC is a statutory authority established pursuant to the South Australian Film Corporation Act 1972, and is a wholly owned and controlled entity of the Crown.

Related parties of the SAFC include all key management personnel and their close family members, all Cabinet Ministers and their close family members; and all public authorities that are controlled and consolidated into the whole of government financial statements and other interest of the Government.

### *Key Management Personnel*

Key management personnel of the SAFC include the Minister for the Arts, Board members and the Chief Executive Officer.

Total compensation for the SAFC's key management personnel was \$251,000 (\$219,000). Salaries and other benefits of the Minister for the Arts are excluded from this total. 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 of the Parliamentary Remuneration Act 1990.

*Transactions with Key Management Personnel and other related parties*

The Board is comprised largely of individuals who work within both the local and national film 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 film 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 2017 the SAFC entered into agreements with Key Management Personnel or organisations/individuals who the personnel have associations with:

Key Management Personnel	Organisation/Individual	Project
Kate Croser	Hedone	Various professional and project development (\$88,500)

## Note 24 Financial Risk Management/Financial Instruments

### Financial risk management

Risk management is managed by the SAFC's Corporate Services and Finance section and the SAFC's risk management framework is in accordance with the *Risk Management Policy Statement* issued by the Premier and Treasurer and the principles established in the Australian Standard *Risk Management Principles and Guidelines*.

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

The SAFC is funded principally from grants from the SA Government via Arts South Australia. The SAFC works with the Department of Treasury and Finance and Arts South Australia to determine the cash flows associated with its Government approved program of work and to ensure funding is provided through SA Government budgetary processes to meet the expected cash flows.

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

### Categorisation of financial instruments

Details of the significant accounting policies and methods adopted include the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised with respect to each class of financial asset and financial liability are disclosed in note 2 or the respective financial asset/liability note.

The carrying amounts of each of the following categories of financial assets and liabilities; loans and receivables; and financial liabilities measured at cost are detailed below:

	Notes	2017 Carrying amount / Fair value (\$'000)	2016 Carrying amount / Fair value (\$'000)
<b>Financial assets</b>			
Cash and equivalent	12	7 418	6 362
Loans and receivables			
- Receivables (1)(2)	13	182	124
- Revolving Film loans	14	412	1 897
<b>Total financial assets</b>		<b>8 012</b>	<b>8 383</b>
<b>Financial liabilities</b>			
Financial liabilities at cost			
- Payables (1)	16	432	120
- Production funding	16	3 371	1 885
- Screen Industry Programs	16	521	740
<b>Total financial liabilities</b>		<b>4 324</b>	<b>2 745</b>

(1) Receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables (eg Commonwealth, State and Local Govt taxes, fees and charges; Auditor-General's Department audit fees). In government, certain rights to receive or pay cash may not be contractual and therefore in these situations, the requirements will not apply. Where rights or obligations have their source in legislation such as levies, tax and equivalents etc they would be excluded from the disclosure. The standard defines contract as enforceable by law. All amounts recorded are carried at cost (not materially different from amortised cost).

(2) Receivables amount disclosed here excludes prepayments. Prepayments are presented in note 13 as trade and other receivables in accordance with paragraph 78(b) of AASB 101. However, prepayments are not financial assets as defined in AASB 132 as the future economic benefit of these assets is the receipt of goods and services rather than the right to receive cash or another financial asset.

#### Note 25 Events after the Reporting Period

There are no events occurring after the end of the reporting period.

#### Note 26 Administered Items

The SAFC previously provided a service to film producers for disbursing investment returns to investors. The SAFC does not have control of, or discretion to apply these investment returns towards achieving the SAFC's objectives, therefore disbursement returns and associated unclaimed investor returns are not recognised in the financial statements but are reflected below.

The SAFC is in the process of finalising the wind down of this activity.

	<b>2017 \$'000</b>	<b>2016 \$'000</b>
<b>Disbursement Returns Account</b>		
Balance at 1 July	79	71
Add:		
Royalties and distribution advances	35	8
Balance at 30 June	<b>114</b>	<b>79</b>

	<b>2017 \$'000</b>	<b>2016 \$'000</b>
<b>Unclaimed Investor Returns Accounts</b>		
Balance at 1 July	55	55
Balance at 30 June	<b>55</b>	<b>55</b>