

Adelaide Central Market Authority

GENERAL PURPOSE FINANCIAL STATEMENTS

for the year ended 30 June 2022

Adelaide Central Market Authority

General Purpose Financial Statements

for the year ended 30 June 2022

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Adelaide Central Market Authority

General Purpose Financial Statements

for the year ended 30 June 2022

Certification of Financial Statements

We have been authorised by the Adelaide Central Market Authority (the Authority) to certify the financial statements in their final form.

In our opinion:

- the accompanying financial statements comply with the *Local Government Act 1999*, *Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards,
- the financial statements present a true and fair view of the Authority's financial position at 30 June 2022 and the results of its operations and cash flows for the financial year,
- internal controls implemented by the Authority provide a reasonable assurance that the Authority's financial records are complete, accurate and reliable and were effective throughout the financial year,
- the financial statements accurately reflect the Authority's accounting and other records.

Clare Mockler
CITY OF ADELAIDE
CHIEF EXECUTIVE OFFICER

Theo Maras AM
CHAIR

Date:

Adelaide Central Market Authority

Statement of Comprehensive Income

for the year ended 30 June 2022

| \$ '000 | Notes | 2022 | 2021 |
|---|-------|--------------|--------------|
| Income | | | |
| User Charges | 2a | 4,146 | 8,783 |
| Investment Income | 2b | - | 4 |
| Other Income | 2c | 136 | 31 |
| Total Income | | 4,282 | 8,818 |
| Expenses | | | |
| Materials, Contracts & Other Expenses | 3a | 4,425 | 8,073 |
| Depreciation, Amortisation & Impairment | 3b | 3 | 1,329 |
| Finance Costs | 3c | - | 342 |
| Total Expenses | | 4,428 | 9,744 |
| Operating Surplus / (Deficit) | | (146) | (926) |
| Asset Disposal & Fair Value Adjustments | 4 | - | (14) |
| Net Surplus / (Deficit) ¹ | | (146) | (940) |
| Total Comprehensive Income | | (146) | (940) |

¹ Transferred to Statement of Changes in Equity

Adelaide Central Market Authority

Statement of Financial Position

as at 30 June 2022

| \$ '000 | Notes | 2022 | 2021 |
|---|-------|------------|---------------|
| ASSETS | | | |
| Current Assets | | | |
| Cash and Cash Equivalents | 5a | - | 729 |
| Trade & Other Receivables | 5b | 127 | 292 |
| Inventories | 5c | 13 | 31 |
| Other Current Assets | 5d | 128 | 191 |
| Non-Current Assets Held for Distribution | 14 | - | 18,078 |
| Total Current Assets | | 268 | 19,321 |
| Non-Current Assets | | | |
| Infrastructure, Property, Plant & Equipment | 7 | 114 | - |
| Other Non-Current Assets | 6a | 100 | 224 |
| Total Non-Current Assets | | 214 | 224 |
| TOTAL ASSETS | | 482 | 19,545 |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Trade & Other Payables | 8a | 368 | 3,998 |
| Borrowings | 8b | 37 | 15,547 |
| Subtotal | | 405 | 19,545 |
| Total Current Liabilities | | 405 | 19,545 |
| Non-Current Liabilities | | | |
| Borrowings | 8b | 77 | - |
| Total Non-Current Liabilities | | 77 | - |
| TOTAL LIABILITIES | | 482 | 19,545 |
| Net Assets | | - | - |
| EQUITY | | | |
| Accumulated Surplus | | (795) | (3,069) |
| Other Reserves | 9a | 795 | 3,069 |
| Total Equity | | - | - |

Adelaide Central Market Authority

Statement of Changes in Equity

for the year ended 30 June 2022

| \$ '000 | Notes | Accumulated Surplus | Other Reserves | Total Equity |
|--|-------|------------------------|-------------------|-----------------|
| 2022 | | | | |
| Balance at the end of previous reporting period | | (3,069) | 3,069 | - |
| Net Surplus / (Deficit) for Year | | (146) | - | (146) |
| Other Comprehensive Income | | | | |
| - Parent Contribution | | - | 146 | 146 |
| - Deemed contribution | | - | - | - |
| - Deemed Distribution to Owners | | - | - | - |
| Other Comprehensive Income | 9a | - | 146 | 146 |
| Total Comprehensive Income | | (146) | 146 | - |
| Transfers between Reserves | | 2,420 | (2,420) | - |
| Balance at the end of period | | (795) | 795 | - |
| 2021 | | | | |
| Balance at the end of previous reporting period | | 402 | 2,250 | 2,652 |
| Net Surplus / (Deficit) for Year | | (940) | - | (940) |
| Other Comprehensive Income | | | | |
| - Parent Contribution | | - | 649 | 649 |
| - Deemed contribution | | - | 170 | 170 |
| - Deemed Distribution to Owners | | (2,531) | - | (2,531) |
| Other Comprehensive Income | 9a | (2,531) | 819 | (1,712) |
| Total Comprehensive Income | | (3,471) | 819 | (2,652) |
| Balance at the end of period | | (3,069) | 3,069 | - |

Adelaide Central Market Authority

Statement of Cash Flows

for the year ended 30 June 2022

| \$ '000 | Notes | 2022 | 2021 |
|---|-------|--------------|----------------|
| Cash Flows from Operating Activities | | | |
| <u>Receipts</u> | | | |
| Operating Receipts | | 4,512 | 9,004 |
| Investment Receipts | | - | 4 |
| <u>Payments</u> | | | |
| Operating Payments to Suppliers and Employees | | (5,238) | (7,050) |
| Finance Payments | | - | (114) |
| Net Cash provided by (or used in) Operating Activities | 10b | (726) | 1,844 |
| Cash Flows from Investing Activities | | | |
| <u>Receipts</u> | | | |
| Nil | | | |
| <u>Payments</u> | | | |
| Expenditure on Renewal/Replacement of Assets | | - | (2,308) |
| Net Cash provided by (or used in) Investing Activities | | - | (2,308) |
| Cash Flows from Financing Activities | | | |
| <u>Receipts</u> | | | |
| Proceeds from Borrowings | | - | 1,668 |
| <u>Payments</u> | | | |
| Repayment of Lease Liabilities | | (3) | (717) |
| Net Cash provided by (or used in) Financing Activities | | (3) | 951 |
| Net Increase (Decrease) in Cash Held | | (729) | 487 |
| plus: Cash & Cash Equivalents at beginning of period | | 729 | 242 |
| Cash & Cash Equivalents at end of period | 10a | - | 729 |

Adelaide Central Market Authority

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

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Adelaide Central Market Authority

Notes to and forming part of the Financial Statements for the period ended 30 June 2022

Note 1. Summary of Significant Accounting Policies

The principal accounting policies adopted by the Adelaide Central Market Authority (the Authority) in the preparation of these financial statements are set out below.

These policies have been consistently applied to all the years presented, unless otherwise stated.

1 Basis of Preparation

On 8th June 2021 Council resolved to amend the ACMA Charter so that the focus of the Authority is to deliver a 'One Market' approach. Notice of the amendment was subsequently placed in the Government Gazette on 8 July 2021. Effective from 1 July 2021, ACMA is responsible for operating the Market with the market assets and car park operation transferred to the City of Adelaide.

1.1 Compliance with Australian Accounting Standards

This general purpose financial report has been prepared on a going concern basis using the historical cost convention (except as stated below) in accordance with Australian Accounting Standards as they apply to not-for-profit entities, other authoritative pronouncements of the Australian Accounting Standards Board, Interpretations and relevant South Australian legislation.

The financial report was authorised for issue by certificate under regulation 14 of the *Local Government (Financial Management) Regulations 2011*.

1.2 Critical Accounting Estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates and requires management to exercise its judgement in applying the Authority's accounting policies.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are specifically referred to in the relevant sections of these Notes.

1.3 Rounding

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

2 The Local Government Reporting Entity

The Adelaide Central Market Authority is incorporated under the South Australian *Local Government Act 1999* and has its principal place of business at 44-60 Gouger Street, Adelaide.

The Authority was enacted on 3 May 2012 as a subsidiary of the Corporation of the City of Adelaide with its primary role being to oversee the management and operation of the Adelaide Central Market.

3 Income Recognition

The Authority recognises revenue under *AASB 1058 Income of Not-for-Profit Entities* (AASB 1058) or *AASB 15 Revenue from Contracts with Customers* (AASB 15) when appropriate.

In cases where there is an 'enforceable' contract with a customer with 'sufficiently specific' performance obligations, the transaction is accounted for under AASB 15 where income is recognised when (or as) the performance obligations are satisfied (i.e. when it transfers control of a product or service to a customer). Revenue is measured based on the consideration to which the Authority expects to be entitled in a contract with a customer.

In other cases, AASB 1058 applies when the Authority enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the Authority to further its objectives. The excess of the asset recognised (at fair value) over any 'related amounts' is recognised as income immediately, except in the case where a financial asset has been received to enable the Authority to acquire or construct a recognisable non-financial asset that is to be controlled by the Authority. In this case, the Authority recognises the excess as a liability that is recognised over time in profit and loss when (or as) the Authority satisfies its obligations under the transfer.

Adelaide Central Market Authority

Notes to and forming part of the Financial Statements for the period ended 30 June 2022

Note 1. Summary of Significant Accounting Policies (continued)

4 Cash, Cash Equivalents and other Financial Instruments

Cash Assets include all amounts readily convertible to cash on hand at the Authority's option with an insignificant risk of changes in value with a maturity of three months or less from the date of acquisition.

Most receivables relate to stall holder leases and are secured in part by bank or director's guarantees.

All receivables are reviewed as at the reporting date and adequate allowance made for amounts the receipt of which is considered doubtful.

All financial instruments are recognised at fair value at the date of recognition.

5 Inventories

Inventories held in respect of business undertakings have been valued at the lower of cost and net realisable value.

6 Infrastructure, Property, Plant & Equipment

Effective from 1 July 2021, ACMA is responsible for operating the Market with the market assets and car park operation transferred to the City of Adelaide.

6.1 Initial Recognition

All assets are initially recognised at cost.

All non-current assets purchased or constructed are capitalised as the expenditure is incurred and depreciated as soon as the asset is held "ready for use". Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including architects' fees and engineering design fees and all other costs incurred.

The cost of non-current assets constructed by the Authority includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overhead.

6.2 Materiality

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by the Authority. Items of property, plant and equipment with a total value less than \$5,000 are treated as an expense in the year of acquisition. All other items of property, plant and equipment are capitalised.

6.3 Depreciation of Non-Current Assets

Property, plant and equipment assets recognised are systematically depreciated over their useful lives on a straight-line basis which, in the opinion of the Authority, best reflects the consumption of the service potential embodied in those assets.

Depreciation methods, useful lives and residual values of classes of assets are reviewed annually.

Major depreciation periods for each class of asset are listed below.

Plant, Furniture & Equipment

| | |
|-------------------|---------------|
| Plant & Equipment | 2 to 20 years |
|-------------------|---------------|

Buildings & Other Structures

| | |
|--------------------------------|---------------|
| Buildings – other construction | 5 to 50 years |
|--------------------------------|---------------|

Other Assets

| | |
|---------------------|----------|
| Right-of-Use Assets | 10 years |
|---------------------|----------|

6.4 Impairment

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount (which is the higher of the present value of future cash inflows or value in use).

For assets whose future economic benefits are not dependent on the ability to generate cash flows, and where the future economic benefits would be replaced if the Authority were deprived thereof, the value in use is the depreciated replacement cost. In assessing impairment for these assets, a rebuttable assumption is made that the current replacement cost exceeds the original cost of acquisition.

Adelaide Central Market Authority

Notes to and forming part of the Financial Statements for the period ended 30 June 2022

Note 1. Summary of Significant Accounting Policies (continued)

7 Non-Current Assets Held for Distribution

A non-current asset is classified as held for distribution to owners when the Authority is committed to distribute the asset to City of Adelaide. For this to be the case, the assets must be available for immediate distribution in their present condition and the distribution must be highly probable.

The Authority measures a non-current asset (or disposal group) classified as held for distribution to owners at the lower of its carrying amount and fair value less costs to distribute.

8 Payables

8.1 Goods & Services

Creditors are amounts due to external parties for the supply of goods and services and are recognised as liabilities when the goods and services are received. Creditors are normally paid 30 days after the month of invoice. No interest is payable on these amounts.

8.2 Payments Received in Advance & Deposits

Amounts received from external parties in advance of service delivery, and security deposits held against possible damage to the Authority assets, are recognised as liabilities until the service is delivered or damage reinstated, or the amount is refunded.

9 Borrowings

Effective from 1 July 2021, all borrowings have been discharged. Any future borrowings will be incurred through by the City of Adelaide.

In the prior year, the loan from the City of Adelaide to the Adelaide Central Market Authority was not formalised however, per AASB 9, it was recognised at fair value, net of transaction costs incurred and subsequently measured at amortised cost.

Any difference between the proceeds (net of transaction costs) and the fair value is recognised through the Statement of Changes in Equity.

Deemed interest, which is the effective unwinding of the discount applied to the fair value recognition, is recognised in the Statement of Comprehensive Income. The City of Adelaide's Long-Term Financial

Plan has been referenced to determine the timing of the principal repayment.

10 Employee Benefits

The Authority does not have any employees. All employees are engaged through the parent entity, the City of Adelaide.

11 Leases

The Authority assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration.

11.1 The Authority as a lessee

The Authority recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i.) Right-of-Use-Assets

The Authority recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and the estimate of costs to be incurred to restore the leased asset. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

ii.) Lease Liabilities

At the commencement date of the lease, the Authority recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Authority uses its incremental borrowing rate or the interest rate implicit in the lease.

Adelaide Central Market Authority

Notes to and forming part of the Financial Statements for the period ended 30 June 2022

Note 1. Summary of Significant Accounting Policies (continued)

iii.) Short-term leases and leases of low-value assets

The Authority applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (ie, those leases that have a lease term of 12 months or less from the commencement date). It also applies the low-value assets recognition exemption to leases of office equipment that are low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

iv.) Leases with a variable value

In the prior year the Authority leased the Central Market Complex from the Corporation of the City of Adelaide under a lease which commenced 1 October 2012 for a period of 21 years. The lease contained variable payment terms that were linked to the Authority's gross revenue for the year and net surplus at the reporting date. Variable lease payments for this lease are recognised in the Statement of Comprehensive Income in the period in which the condition that triggers those payments occurs.

Following the change to the Charter, the lease was surrendered on 4 July 2022 and a new lease commenced on 8 July 2022 for the Central Market Complex from the Corporation of the City of Adelaide for a period of 20 years. The Authority has elected to apply the exemption available under AASB16 as the lease contains payment terms of \$1 per annum and is treated as a "peppercorn" lease. The lease payments are recognised as an expense on a straight-line basis over the lease term.

11.2 The Authority as a lessor

Leases in which the Authority does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease term and is included in revenue in the Statement of Comprehensive Income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

12 GST Implications

In accordance with Interpretation 1031 "Accounting for the Goods & Services Tax"

- Receivables and Creditors include GST receivable and payable.
- Except in relation to input taxed activities, revenues and operating expenditures exclude GST receivable and payable.
- Non-current assets and capital expenditures include GST net of any recoupment.
- Amounts included in the Statement of Cash Flows are disclosed on a gross basis.

13 New and amended accounting standards and interpretations

No new or revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) have been adopted in the current period.

The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2022. The Authority does not anticipate that new and amended Australian Accounting Standards, and Interpretations, issued but not yet effective at the time of compiling these illustrative statements will apply to the Authority's future reporting periods.

15 Comparative Figures

To ensure comparability with the current reporting period's figures, some comparative period line items and amounts may have been reclassified or individually reported for the first time within these financial statements and/or the notes.

16 Disclaimer

Nothing contained within these statements may be taken to be an admission of any liability to any person under any circumstance.

Adelaide Central Market Authority

Notes to and forming part of the Financial Statements for the year ended 30 June 2022

Note 2. Income

| \$ '000 | 2022 | 2021 |
|--------------------------------|--------------|--------------|
| (a). User Charges | | |
| Property Lease | 3,441 | 3,072 |
| Off-Street Parking | - | 4,978 |
| Property Recovery | 705 | 733 |
| Total User Charges | 4,146 | 8,783 |
| (b). Investment Income | | |
| - Banks & Other | - | 4 |
| Total Investment Income | - | 4 |
| (c). Other Income | | |
| Merchandise Sales | 25 | 10 |
| General Sales | 11 | 21 |
| Commission | 100 | - |
| Total Other Income | 136 | 31 |

Adelaide Central Market Authority

Notes to and forming part of the Financial Statements for the year ended 30 June 2022

Note 3. Expenses

| \$ '000 | Notes | 2022 | 2021 |
|--|-------|--------------|--------------|
| (a). Materials, Contracts and Other Expenses | | | |
| (i) Prescribed Expenses | | | |
| Auditor's Remuneration | | 10 | 9 |
| Bad and Doubtful Debts | | - | 9 |
| Board Fees | | 103 | 113 |
| Lease Expense - Variable Payments | | - | 2,724 |
| Subtotal - Prescribed Expenses | | 113 | 2,855 |
| (ii) Other Materials, Contracts and Expenses | | | |
| Contractors | | 1,040 | 943 |
| Energy | | 497 | 602 |
| Maintenance | | 335 | 410 |
| Legal Expenses | | 14 | 35 |
| Levies Paid to Government - including Landscape levy | | 23 | 39 |
| Parts, Accessories & Consumables | | 59 | 39 |
| Professional Services | | 69 | 182 |
| Advertising and Promotion | | 149 | 231 |
| Bank Charges and Cash Collection | | 15 | 94 |
| Catering | | 12 | 4 |
| Cleaning | | 927 | 982 |
| Water | | 53 | 94 |
| External Plant Hire | | 16 | - |
| Insurance | | 57 | 102 |
| Minor Plant and Equipment | | 4 | 11 |
| Printing, Freight and Postage | | 75 | 3 |
| Rates and Taxes | | 39 | 37 |
| Security | | 567 | 600 |
| Subscriptions | | 7 | 2 |
| Training and Development | | 6 | 2 |
| Waste Services | | 302 | 267 |
| Off Street Parking Management Fee | | - | 505 |
| Other | | 46 | 34 |
| Subtotal - Other Material, Contracts & Expenses | | 4,312 | 5,218 |
| Total Materials, Contracts and Other Expenses | | 4,425 | 8,073 |

Adelaide Central Market Authority

Notes to and forming part of the Financial Statements for the year ended 30 June 2022

Note 3. Expenses (continued)

| \$ '000 | 2022 | 2021 |
|--|----------|--------------|
| (b). Depreciation, Amortisation and Impairment | | |
| (i) Depreciation and Amortisation | | |
| Buildings | - | 435 |
| Right-of-Use Assets | 3 | 760 |
| Plant & Equipment | - | 132 |
| Furniture & Fittings | - | 2 |
| Subtotal | 3 | 1,329 |
| Total Depreciation, Amortisation and Impairment | 3 | 1,329 |
| (c). Finance Costs | | |
| Interest on Loans | - | 228 |
| Interest on Leases | - | 114 |
| Total Finance Costs | - | 342 |

Note 4. Asset Disposal & Fair Value Adjustments

| \$ '000 | Notes | 2022 | 2021 |
|---|-------|----------|-------------|
| Infrastructure, Property, Plant & Equipment | | | |
| (i) Assets Surplus to Requirements | | | |
| Loss on disposal of assets | | - | (14) |
| Gain (Loss) on Disposal | | - | (14) |
| Net Gain (Loss) on Disposal or Revaluation of Assets | | - | (14) |

Adelaide Central Market Authority

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 5. Current Assets

| \$ '000 | 2022 | 2021 |
|--|------------|------------|
| (a). Cash & Cash Equivalent Assets | | |
| Cash on Hand at Bank | - | 729 |
| Total Cash & Cash Equivalent Assets | - | 729 |
| (b). Trade & Other Receivables | | |
| Accrued Revenues | 109 | 106 |
| Debtors - General | 15 | 118 |
| GST Recoupment | - | 67 |
| Prepayments | 3 | 1 |
| Subtotal | 127 | 292 |
| Total Trade & Other Receivables | 127 | 292 |
| (c). Inventories | | |
| Trading Stock | 13 | 31 |
| Total Inventories | 13 | 31 |
| (d). Other Current Assets | | |
| Rent Receivable | 128 | 191 |
| Total Other Current Assets | 128 | 191 |

In 2019-20 the Authority resolved to provide three month's rent relief to its tenants as a consequence of the COVID-19 pandemic. The rent concession has been recognised as a lease modification under AASB 16 Leases, and the revised consideration is recognised over the remaining lease term. The non-current portion of the modification is shown at Note 6. Non-Current Assets (a)(i) Other.

Note 6. Non-Current Assets

| \$ '000 | 2022 | 2021 |
|---------------------------------------|------------|------------|
| (a). Other Non-Current Assets | | |
| (i) Other | | |
| Rent Receivable | 100 | 224 |
| Total Other | 100 | 224 |
| Total Other Non-Current Assets | 100 | 224 |

Adelaide Central Market Authority

Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

Note 7. Infrastructure, Property, Plant & Equipment

| | as at 30/6/2021 | | | Asset movements during the reporting period | | | | | | as at 30/6/2022 | | |
|--|-----------------|----------------------|-------------------|---|---------------------------|--------------------------------------|----------------------------|--|--|-----------------|----------------------|-------------------|
| | At Cost | Accumulated Dep'n | Carrying Value | Asset Additions | WDV of Asset Disposals | Depreciation Expense (Note 3c) | Adjustments & Transfers | Projected Related Expenditure (Note 3b) | Tfrs from/(to) "Held for Distribution to Owners" category | At Cost | Accumulated Dep'n | Carrying Value |
| \$ '000 | | | | | | | | | | | | |
| Capital Work in Progress | - | - | - | - | - | - | - | - | - | - | - | - |
| Buildings | | | | | | | | | | | | |
| Buildings | - | - | - | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - | - | - | - |
| Right-of-Use Assets | - | - | - | 117 | - | (3) | - | - | - | 117 | (3) | 114 |
| Plant & Equipment | - | - | - | - | - | - | - | - | - | - | - | - |
| Furniture & Fittings | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Infrastructure, Property, Plant & Equipment | - | - | - | 117 | - | (3) | - | - | - | 117 | (3) | 114 |
| Comparatives | 19,297 | (2,182) | 17,115 | 2,316 | (14) | (1,329) | - | (7) | (18,078) | - | - | - |

The ACMA Charter was amended in the current period, resulting in the Assets being transferred to the City of Adelaide. All Infrastructure, Property, Plant & Equipment and Right-of-Use Assets were classified as Assets Held for Distribution as at 30 June 2021.

Adelaide Central Market Authority

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 8. Liabilities

| \$ '000 | Notes | 2022 | | 2021 | |
|---------------------------------------|-------|------------|-------------|---------------|-------------|
| | | Current | Non Current | Current | Non Current |
| (a). Trade and Other Payables | | | | | |
| Payments Received in Advance | | 228 | - | 165 | - |
| Accrued Expenses - Other | | 96 | - | 81 | - |
| Inter-Entity Creditor | | 42 | - | 2,929 | - |
| GST Payable | | 2 | - | - | - |
| Trade Payables | | - | - | 823 | - |
| Total Trade and Other Payables | | 368 | - | 3,998 | - |
| (b). Borrowings | | | | | |
| Lease Liabilities | 13 | 37 | 77 | 4,664 | - |
| Loan from City of Adelaide | | - | - | 10,883 | - |
| Total Borrowings | | 37 | 77 | 15,547 | - |

The ACMA Charter has been amended, and has resulted in the the loan from the City of Adelaide, and the lease liability has been transferred to the City of Adelaide at 1 July 2021.

Adelaide Central Market Authority

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 9. Reserves

| \$ '000 | 30/6/2021 | Tfrs to Reserve | Tfrs from Reserve | Other Movements | 30/6/2022 |
|-------------------------------|--------------|-----------------|-------------------|-----------------|--------------|
| (a). Other Reserves | | | | | |
| Fair Value Loan Adjustment | 2,420 | - | (2,420) | - | - |
| City of Adelaide Contribution | 649 | 146 | - | - | 795 |
| Total Other Reserves | 3,069 | 146 | (2,420) | - | 795 |
| Comparatives | 2,250 | 819 | - | - | 3,069 |

OTHER RESERVES

Fair Value Loan Adjustment

Due to the amendment in the Charter, as at 30 June 2021 the loan from the City of Adelaide was classified as current at its fair value of \$10,883,054, and the market assets classified as Held for Distribution to Owners at their carrying value of \$18,078,098. The balance of \$7,194,044 consists of the Lease Liability and a Deemed Distribution to Owners

The loan from the City of Adelaide to the Adelaide Central Market Authority had not been formalised and as such no commercial terms existed. AASB 9 *Financial Instruments* requires the loan be recognised at fair value. The difference from between the loan amount (face value) and its fair value has been determined by the differential in the interest charged by Council (2021: 1.35% to 2.75%) and the rate offered by the Local Government Finance Authority (2021: 1.35%).

The loan was discharged at its fair value amount of \$10,883,054 in 2021-22 and the Fair Value Loan Adjustment Reserve was transferred to Accumulated Surplus.

City of Adelaide Contribution

During the period an amount of \$146,000 (2021: \$649,000) was committed to the Authority as a contribution from the City of Adelaide. The contribution supports the ongoing operations of the Authority to continue as a going concern.

Adelaide Central Market Authority

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 10. Reconciliation to Statement of Cash Flows

| \$ '000 | Notes | 2022 | 2021 |
|--|-------|--------------|---------------|
| (a). Reconciliation of Cash | | | |
| Cash Assets comprise highly liquid investments with short periods to maturity subject to insignificant risk of changes of value. Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows: | | | |
| Total Cash & Equivalent Assets | 5 | - | 729 |
| Balances per Statement of Cash Flows | | - | 729 |
| (b). Reconciliation of Change in Net Assets to Cash from Operating Activities | | | |
| Net Surplus/(Deficit) | | (146) | (940) |
| Non-Cash Items in Income Statements | | | |
| Depreciation, Amortisation & Impairment | | 3 | 1,329 |
| Net (Gain) Loss on Disposals | | - | 14 |
| Notional Interest Charged | | - | 228 |
| Deemed Contribution to City of Adelaide | | - | - |
| | | (143) | 631 |
| Add (Less): Changes in Net Current Assets | | | |
| Net (Increase)/Decrease in Receivables | | 165 | 40 |
| Net (Increase)/Decrease in Inventories | | 18 | 12 |
| Net (Increase)/Decrease in Other Current Assets | | 370 | 275 |
| Net Increase/(Decrease) in Trade & Other Payables | | (1,136) | 886 |
| Net Cash provided by (or used in) operations | | (726) | 1,844 |
| (c). Non-Cash Financing and Investing Activities | | | |
| Borrowings | | | |
| - Opening Balance | | 10,883 | 9,158 |
| - Net Proceeds from/(Repayment of) Borrowings | | (10,883) | 1,668 |
| - Fair Value Adjustment | | | 57 |
| Closing Balance | | - | 10,883 |
| - Leases | | 114 | 4,664 |
| Total Liabilities from Financing Activities | | 114 | 15,547 |

Adelaide Central Market Authority

Notes to and forming part of the Financial Statements for the year ended 30 June 2022

Note 11. Financial Instruments

| \$ '000 | Due < 1 year | Due > 1 year & ≤ 5 years | Due > 5 years | Total Contractual Cash Flows | Carrying Values |
|-------------------------------------|-----------------|-----------------------------|------------------|---------------------------------|--------------------|
| 2022 | | | | | |
| <u>Financial Assets</u> | | | | | |
| Receivables | 126 | - | - | 126 | 124 |
| Total Financial Assets | 126 | - | - | 126 | 124 |
| <u>Financial Liabilities</u> | | | | | |
| Payables | 140 | - | - | 140 | 140 |
| Lease Liabilities | 39 | 78 | - | 117 | 114 |
| Total Financial Liabilities | 179 | 78 | - | 257 | 254 |

| \$ '000 | Due < 1 year | Due > 1 year & ≤ 5 years | Due > 5 years | Total Contractual Cash Flows | Carrying Values |
|-------------------------------------|-----------------|-----------------------------|------------------|---------------------------------|--------------------|
| 2021 | | | | | |
| <u>Financial Assets</u> | | | | | |
| Cash & Equivalents | 729 | - | - | 729 | 729 |
| Receivables | 224 | - | - | 224 | 224 |
| Total Financial Assets | 953 | - | - | 953 | 953 |
| <u>Financial Liabilities</u> | | | | | |
| Payables | 3,833 | - | - | 3,833 | 3,833 |
| Current Borrowings | 12,628 | - | - | 12,628 | 10,883 |
| Lease Liabilities | 4,990 | - | - | 4,990 | 4,664 |
| Total Financial Liabilities | 21,451 | - | - | 21,451 | 19,380 |

The following interest rates were applicable to the Authority's borrowings at balance date:

| | 30 June 2022 | | 30 June 2021 | |
|----------------------|-------------------------------|-------------------|-------------------------------|-------------------|
| | Weighted Avg Interest Rate | Carrying Value | Weighted Avg Interest Rate | Carrying Value |
| Fixed Interest Rates | | - | 2.13% | 10,883 |
| | | - | | 10,883 |

Net Fair Value

All carrying values approximate fair value for all recognised financial instruments. There is no recognised market for the financial assets of the Authority.

Adelaide Central Market Authority

Notes to and forming part of the Financial Statements for the year ended 30 June 2022

Note 11. Financial Instruments (continued)

\$ '000

Risk Exposures

Credit Risk represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of the Authority is the carrying amount, net of any impairment. All Authority investments are made with the SA Local Government Finance Authority and are guaranteed by the SA Government. Except as detailed in Notes 5 & 6 in relation to individual classes of receivables, exposure is concentrated within the Authority's boundaries, and there is no material exposure to any individual debtor.

Market Risk is the risk that fair values of financial assets will fluctuate as a result of changes in market prices. All of the Authority's financial assets are denominated in Australian dollars and are not traded on any market, and hence neither market risk nor **currency risk** apply.

Liquidity Risk is the risk that the Authority will encounter difficulty in meeting obligations with financial liabilities. In accordance with the model Treasury Management Policy (LGA Information Paper 15), liabilities have a range of maturity dates. The Authority also has available a range of bank overdraft and standby borrowing facilities that it can access.

Interest Rate Risk is the risk that future cash flows will fluctuate because of changes in market interest rates. Cash flow fluctuations are managed through the City of Adelaide.

Note 12. Uniform Presentation of Finances

\$ '000

2022

2021

The following is a high level summary of both operating and capital investment activities of the Authority prepared on a simplified Uniform Presentation Framework basis.

All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.

The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.

| | | |
|---|--------------|----------------|
| Income | 4,282 | 8,818 |
| less Expenses | (4,428) | (9,744) |
| Operating Surplus / (Deficit) | (146) | (926) |
| Net Outlays on Existing Assets | | |
| Capital Expenditure on Renewal and Replacement of Existing Assets | - | (2,308) |
| <i>add back</i> Depreciation, Amortisation and Impairment | 3 | 1,329 |
| Subtotal | 3 | (979) |
| Net Lending / (Borrowing) for Financial Year | (143) | (1,905) |

Notes to and forming part of the Financial Statements for the year ended 30 June 2022

Note 13. Leases

\$ '000

The Authority as a Lessee

Terms and conditions of leases

Land & Buildings

In the prior period, the Authority leased the Central Market Complex from the Corporation of the City of Adelaide under a lease which commenced 1 October 2012 for a period of 21 years. The annual rent payable is determined using a floating percentage of income and net surplus funds. Due to this variability, future rent payable cannot be accurately quantified and is not disclosed below. Lease costs associated with this arrangement are disclosed below and at Note 3 as Variable Lease Payments.

Due to the change in the ACMA Charter, the above lease was surrendered and a new lease commenced on 8 July 2021 for a period on 20 years. The lease contains payment terms of \$1 per annum and is deemed a "Peppercorn" lease. The lease payments are recognised as an expense in Note 3.

Right of use Asset

ACMA has entered into a new agreement with Willsmere Pty Ltd in order to occupy a cool room and online shopping retail space for a period of 3 years until 31 May 2023. The financial implications of this arrangement are disclosed in Right of Use Assets below.

In the prior period, ACMA had entered into an agreement with the City of Adelaide regarding the use of the Star Carpark with Jian Yong Investments Pty Ltd, Eon Australia Pty Ltd, Tien-Sheng Lu, David Wang and Ying-Chieh Lu until 30 June 2027. As a result of the new Charter, the existing lease with the use of the Star Carpark was held for distribution to owners as at 30 June 2021 and was settled in 2022.

Adelaide Central Market Authority

Notes to and forming part of the Financial Statements for the year ended 30 June 2022

Note 13. Leases (continued)

The Authority as a Lessee (continued)

Set out below are the carrying amounts of right-of-use assets recognised within Infrastructure, Property, Plant and Equipment and the movements during the period:

Right of use assets

| | Buildings \$'000 | Total \$'000 |
|--|---------------------|-----------------|
| 2022 | | |
| Opening Balance | - | - |
| Additions to right-of-use assets | 117 | 117 |
| Depreciation charge | (3) | (3) |
| Balance at 30 June 2022 | 114 | 114 |
| 2021 | | |
| Opening Balance | 5,324 | 5,324 |
| Depreciation charge | (760) | (760) |
| Transfer to assets held for distribution to owners | (4,564) | (4,564) |
| Balance at 30 June 2021 | - | - |

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

| \$ '000 | 2022 | 2021 |
|------------------------------|------------|--------------|
| Balance at 1 July | 4,664 | 5,382 |
| Additions | 117 | - |
| Accretion of interest | - | 114 |
| Payments | (3) | (832) |
| Transfer to City of Adelaide | (4,664) | - |
| Balance at 30 June | 114 | 4,664 |
| Classified as: | | |
| Current | 37 | 4,664 |
| Non Current | 77 | - |

The maturity analysis of lease liabilities is included in Note 11.

Adelaide Central Market Authority

Notes to and forming part of the Financial Statements for the year ended 30 June 2022

Note 13. Leases (continued)

The Authority as a Lessee (continued)

The Authority had total cash outflows for leases of \$3,214 in 2021-22 (2021: \$831,694).

The following are the amounts recognised in profit or loss:

| | | |
|--|----------|--------------|
| Depreciation expense of Right-of-Use Assets | 3 | 760 |
| Interest expense on lease liabilities | - | 114 |
| Variable lease payments | - | 2,724 |
| Total amount recognised in profit or loss | 3 | 3,598 |

The Authority as a Lessor

Leases Providing Revenue to the Authority

| \$ '000 | 2022 | 2021 |
|--|---------------|---------------|
| Future minimum rentals receivable under non-cancellable operating leases as at 30 June, are as follows: | | |
| Not later than one year | 3,918 | 3,518 |
| Later than one year and not later than 5 years | 6,378 | 7,064 |
| Later than 5 years | 9 | 8 |
| | 10,305 | 10,590 |

Note 14. Non-Current Assets Held for Distribution

| \$ '000 | 2022 | 2021 |
|---------|------|------|
|---------|------|------|

On 8th June 2021 Council resolved to amend the ACMA Charter. From 1 July 2021 ACMA is responsible for operating the Market with the market assets and car park operation transferred to and operated by the City Of Adelaide. As a result, the Authority's property, plant and equipment and right of use assets were classified as held for distribution at 30 June 2021 and measured at the lower of its carrying amount and fair value less costs to distribute.

(i). Carrying Amounts of Assets and Liabilities

Assets

| | | |
|---|----------|---------------|
| Infrastructure, Property, Plant and Equipment | - | 13,514 |
| Right of Use Assets | - | 4,564 |
| Net Assets | - | 18,078 |

As the consideration expected to be received exceeds the carrying amount, these assets have been recognised at the carrying amount.

Adelaide Central Market Authority

Notes to and forming part of the Financial Statements for the year ended 30 June 2022

Note 15. Events After the Statement of Financial Position Date

Events that occur after the reporting date of 30 June 2022, up to and including the date when the financial statements are "authorised for issue" have been taken into account in preparing these statements.

The Authority has adopted the date of receipt of the Certification of Financial Statements as the appropriate "authorised for issue" date relating to these General Purpose Financial Statements.

Accordingly, the "authorised for issue" date is 30/09/22.

The Authority is not aware of any "non adjusting events" that merit disclosure.

Note 16. Related Party Transactions

| \$ '000 | 2022 | 2021 |
|---------|------|------|
|---------|------|------|

Key Management Personnel

Transactions with Key Management Personnel

The Key Management Personnel of the Adelaide Central Market Authority include Board members and the General Manager. In all, 7 persons were paid the following total cumulative compensation which have been included within contractors in note 3:

The compensation paid to Key Management Personnel comprises:

| | | |
|------------------------------|------------|------------|
| Short-Term Employee Benefits | 275 | 280 |
| Post-Employment Benefits | 17 | 16 |
| Total | <u>292</u> | <u>296</u> |

Amounts paid as direct reimbursement of expenses incurred on behalf of the Adelaide Central Market Authority have not been included above.

Receipts from Key Management Personnel comprise:

The Board of Adelaide Central Market Authority includes the Chair of the Traders Advisory Group who is required to be a Lessee of a stall in the Adelaide Central Market and is elected by the Traders in March biennially. Adelaide Central Market Authority received the following rent amounts from Board members or Council elected members relating to 8 tenancies:

| | | |
|---|------------|------------|
| Stallholder Lease Rentals for properties managed by Adelaide Central Market | 272 | 318 |
| Total | <u>272</u> | <u>318</u> |

Adelaide Central Market Authority

Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

Note 16. Related Party Transactions (continued)

Other Related Party Transactions

ACMA contracts staff from Council with the on-charge totalling \$966,880 (2021: \$834,950) for the year.

Council, as the parent entity, has provided an equity contribution of \$146,000 (2021: \$649,000) for the year to continue to support ACMA on a going concern basis.