

Support Act Limited
(a company limited by guarantee)
ABN 43 079 588 604

Annual Financial Report
30 June 2020

Directors' Report

The directors of Support Act Limited have pleasure in presenting their report together with the financial report of Support Act Limited ("the Company") for the year ended 30 June 2020 and the independent auditor's report thereon.

Directors

The Directors at any time during or since the financial year are:

Sally Howland (Chairperson)

Non-executive director since 30 November 1998.

Chairperson since 10 October 2013.

Over 40 years industry experience with APRA AMCOS. Director of the Archie Roach Foundation. Chair of Music Victoria.

Lynne Small (Company Secretary)

Non-executive director since 22 April 2013.

Company Secretary since 20 December 1998.

General Manager of the Phonographic Performance Company of Australia Limited and the Australian Recording Industry Association Ltd since 2002. Director of the Australian Copyright Council since April 2013.

Mark Callaghan

Non-executive director since 10 October 2013; Retired 29 November 2019.

Currently Advisor, Member Services, with APRA AMCOS, Mark was previously the Managing Director of Music Sales Australia. His other industry roles include stints as General Manager of AMPAL and of Shock Music Publishing. An APRA member for 39 years, Mark is lead singer and songwriter with GANGgajang and prior to that The Riptides.

Sebastian Chase

Non-executive director since 25 November 2015

Founder of MGM Distribution. Over 40 years music industry experience from managing iconic Australian bands to establishing record labels.

Linda Courtney

Non-executive director since 22 April 2013.

Distribution Manager of Phonographic Performance Company of Australia since 2000.

Leah Flanagan

Non-executive director since 25 November 2015.

Leah is an active touring songwriter and musician and is currently the Manager of the National Aboriginal and Torres Strait Islander Music Office for APRA AMCOS and the First Nations Producer for Sounds Australia.

Catherine Haridy

Non-executive director since 10 October 2013; Retired 29 November 2019.

Catherine Haridy Management manages a number of high profile artists, producers and authors.

Catherine sits on the board of the Association of Artist Managers (AAM) and is a previous Chairperson, is a newly appointed Music Victoria board member, an APRA Ambassador, an AMP Patron and a previous two term board member of the Community Broadcasting Foundation.

Directors' Report (continued)

Dr Karin Lines

Non-executive director since 11 March 2015.

Senior Mental Health Adviser at the Sax Institute. Karin has many years of experience in the operational management of mental health and drug & alcohol operational service. She also has experience in policy development and analysis and academic teaching. Karin holds an Honours Degree in Philosophy from Macquarie University, a Masters in Nursing (Mental Health), University of Western Sydney and a PhD in Philosophy from the University of Sydney. Karin was awarded the Australia Day Honours, Public Service Medal in 2018.

John O'Donnell

Non-executive director since 29 November 2017.

Managing Director of EMI Recorded Music Australia. John has spent 30 years in the music industry; he has served as a member of both the ARIA and PPCA boards, worked as an Editor in music journalism, joined Sony Music and started Murmur label. From 2002, he was CEO of EMI Music Australia/NZ before establishing his own consulting business. He returned to EMI in 2013 where he continues to co-manage Cold Chisel.

Keith Potger

Non-executive director since 10 October 2013; Retired 29 November 2019.

A founding member of The Seekers. Previously, Chair of Support Act Victoria. Formerly, Patron of Variety WA, the renowned children's charity, from 2001 to 2009. Currently, one of the Patrons of the Motor Neurone Disease Association of Western Australia.

Fifa Riccobono

Non-executive director since 10 October 2013; Retired 29 November 2019.

Former CEO of Albert Music. Former Director of APRA|AMCOS, and AMPAL for 15 years and a founding Director of Nordoff Robbins Music Therapy for 10 years. Currently has her own publishing company Viola Jade Music and is an independent Music Industry Consultant.

John Watson

Non-executive director since 11 March 2015.

Owner and President of both John Watson Management and the label, Eleven: a music company with over twenty-five years of experience in the music industry. Before establishing John Watson Management in 2000, John was Director of A&R and international Marketing at Sony Music Australia for five years.

David Albert

Non-executive director since 29 November 2019.

CEO of Alberts, holds an MBA from the Macquarie Graduate School of Management, a Masters from the University of Massachusetts, a graduate of the Australian Institute of Company Directors, holds several not-for-profit director roles and has previously been the co-chair of Nordoff Robbins Music Therapy Australia and served on the boards of APRA AMCOS and AMPAL.

Alethea Beetson

Non-executive director since 29 November 2019.

Artistic Director of Digi Youth Arts, First Nations Producer of BIGSOUND, First Nations Programmer Qmusic and First Nations Curator Brisbane Festival. Alethea is currently undertaking a Doctorate in Creative Industries.

Directors' Report (continued)

Tom Larkin

Non-executive director since 29 November 2019.

Director of VVV MGMT, owner of Homesurgery Recordings, Conference Programmer for BIGSOUND and founding member of rock band Shihad.

Directors' meetings

The number of directors' meetings and number of meetings attended by each of the directors of the Company during the financial year are:

Director	Directors' Meetings	
	Number of meetings attended	Number of meetings held*
Sally Howland (Chair)	5	5
Lynne Small (Secretary)	5	5
Catherine Haridy	1	3
Linda Courtney	5	5
Mark Callaghan	3	3
Sebastian Chase	4	5
Fifa Riccobono	3	3
John O'Donnell	4	5
Karin Lines	3	5
Keith Potger	1	3
John Watson	5	5
Leah Flanagan	4	5
David Albert	2	2
Alethea Beetson	2	2
Tom Larkin	2	2

* reflects the number of meetings held during the time the Director held office during the period

Lead auditor's independence declaration

A copy of the Lead Auditor's Independence Declaration as required under sub division 60-C section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 is included at page 26 of the annual report.

Objectives, strategy and principal activities

The objective and principal activity of this charitable organisation during the course of the financial year was to provide relief to persons who have worked in and contributed to the Australian music industry and are in need, suffering hardship or distress. Support Act also provides access to The Support Act Wellbeing Helpline, which is a confidential counselling service available to anyone working in Australian music who needs to talk to someone about any aspect of their wellbeing.

There were no significant changes in the nature of the activities of this organisation during the year.

Review of activities and key performance indicators

The net profit for the financial year was \$1,845,357 (2019: \$137,856). Support Act Limited is exempt from income tax.

Directors' Report (continued)

Dividends

Support Act Limited is not permitted to distribute amongst its members (either directly or indirectly) its net surplus by way of a dividend and no such distributions have been made during the financial year.

State of affairs

In the opinion of the directors there were no significant changes in the state of affairs of the Company during the financial year under review.

Likely developments

The Company will continue to provide relief to persons who have worked in and contributed to the Australian music industry and are in need, or suffering hardship or distress.

Events subsequent to balance date

There has not arisen in the interval between the end of the financial year and the date of this report, any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in subsequent financial years.

Indemnification and insurance of officers

Indemnification

Support Act Limited has entered into an agreement indemnifying the current directors of Support Act Limited against all liabilities to another person (other than the Company) that may arise from their position as directors of the Company, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

Insurance premiums

Insurance premiums in respect of Director's Liability and Legal Expenses insurance contracts for current officers, including executive officers of the company have been paid by Support Act Limited. The insurance premiums relate to:

- costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever their outcome; and
- other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

Premiums totalling \$1,866 (2019: \$1,790) were paid in respect of the directors of the Company.

Members' guarantee

The Company is a company limited by guarantee. The guarantee of members in the event of the winding up of the Company is \$10 for each member. At 30 June 2020 membership of the Company comprised 803 (2019: 782) full members, resulting in a total guarantee of \$8,030 (2019: \$7,820).

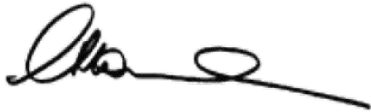
Directors' Report (continued)

Environmental regulation

The Company's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation. However, the Board believes that the Company has adequate systems in place for the management of its environment and is not aware of any breaches during the period covered by this report.

Dated at Sydney this 28th day of October 2020.

Signed in accordance with a resolution of the directors:



Director



Director

**Statement of Profit or Loss and Other Comprehensive Income
 for the year ended 30 June 2020**

	Notes	Year Ended 30-Jun-20 \$	Year Ended 30-Jun-19 \$
Revenue			
Revenue	2	4,202,764	1,703,113
Other income	3	44,743	9,130
Total revenue		4,247,507	1,712,243
Expenses			
Grants paid or payable		(1,365,531)	(715,047)
Employee and contractor expenses - Service delivery		(531,449)	(258,711)
Employee and contractor expenses - Fundraising	11(i)	(203,279)	(172,498)
Wellbeing services expenditure		(149,585)	(72,793)
Fundraising and event expenditure	11(i)	(22,245)	(115,684)
Benefit concert payments paid or payable		-	(125,855)
Other operating expenses		(130,061)	(113,799)
Total expenses		(2,402,150)	(1,574,387)
Net profit		1,845,357	137,856
Other comprehensive income		-	-
Total comprehensive income for the year		1,845,357	137,856

This statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 11 to 24.

Statement of Financial Position
 as at 30 June 2020

	Notes	Year Ended 30-Jun-20 \$	Year Ended 30-Jun-19 \$
Current Assets			
Cash and cash equivalents	5	13,570,827	715,648
Cash on deposit	5	354,232	347,134
Trade and other receivables	6	218,443	94,056
Total Current Assets		14,143,502	1,156,838
Non-Current Assets			
Property, plant & equipment	7	1,534	3,705
Intangible assets	8	15,226	10,328
Total Non-Current Assets		16,760	14,033
Total Assets		14,160,262	1,170,871
Current Liabilities			
Trade and other payables	9	1,049,660	11,541
Employee entitlements		50,050	25,782
Deferred donor restricted funds	10	10,122,318	354
Unpaid grants		272,718	51,268
Personal appeals and benefit concerts payable		78,311	361,966
Income received in advance		31,000	13,200
Total Current Liabilities		11,604,057	464,111
Non-Current Liabilities			
Employee entitlements		8,743	4,655
Total Non-Current Liabilities		8,743	4,655
Total Liabilities		11,612,800	468,766
Net Assets		2,547,462	702,105
Retained Surplus		2,547,462	702,105

This statement of financial position is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 11 to 24.

Statement of Changes in Equity
for the year ended 30 June 2020

	2020 \$	2019 \$
Retained surplus at the beginning of the financial year	<u>702,105</u>	<u>564,249</u>
Total comprehensive income for the period	1,845,357	137,856
Retained surplus at the end of the financial year	<u>2,547,462</u>	<u>702,105</u>

This statement of changes in equity is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 11 to 24.

Statement of Cash Flows
 for the year ended 30 June 2020

	Notes	2020 \$	2019 \$
Cash flows from operating activities			
Cash receipts in the course of operations		14,287,601	1,658,433
Cash payments in the course of operations		(1,420,708)	(1,307,620)
Interest received		8,169	9,846
Net cash inflows from operating activities	13(ii)	<u>12,875,062</u>	<u>360,659</u>
Cash flows from investing activities			
Payments for property, plant & equipment		-	(1,295)
Payments for intangible assets		(12,785)	-
Increase in cash on deposit		(7,098)	(6,935)
Net cash outflows from investing activities		<u>(19,883)</u>	<u>(8,230)</u>
Net increase in cash held			
Cash at the beginning of the financial year		12,855,179	352,429
		715,648	363,219
Cash at the end of the financial year	13(i)	<u>13,570,827</u>	<u>715,648</u>

This statement of cash flows is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 11 to 24.

Notes to and forming part of the financial statements

1 Statement of significant accounting policies

Support Act Limited (the 'Company') is a company domiciled in Australia.

Support Act Limited's registered office is Level 4, 11 - 17 Buckingham Street Surry Hills, NSW 2010.

The financial report was authorised for issue by the directors on 28th October 2020.

(a) Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards ("AASBs") adopted by the Australian Accounting Standards Board ("AASB") and the Australian Charities and Not-for-profits Commission Regulation 2013.

(b) Basis of preparation

The financial report is presented in Australian dollars. The financial report is prepared on the historical cost basis, except that financial assets at fair value through the profit and loss are measured at fair value.

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. These accounting policies have been consistently applied by the Company.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The accounting policies set out below have been applied consistently to all periods presented in the financial report.

(c) Revenue recognition

Revenue is measured based on the consideration specified in the contract with the customer. Revenue, other than subscription revenue, is recognised over time as the services are provided. Subscription revenue is recognised only once on joining and recognised as revenue when received.

(d) Grants

All grants approved prior to 30 June 2020 are charged against current income for the period. Grants which have been approved but have not been paid at the end of the period are accrued for at period end.

Notes to and forming part of the financial statements

1 Statement of significant accounting policies (continued)

(e) Personal appeals and benefit concerts payable

Where a donor provides funds for a specific purpose, or a benefit concert or personal appeal raises funds for a specific purpose, any amounts that have not yet been paid at the end of the period are accrued for at period end.

(f) Income tax

The Company is exempt from income tax under section 50-5 of the Income Tax Assessment Act 1997.

(g) Cash and cash on deposit

Cash is carried at the face value of the amounts deposited. Interest revenue is accrued at the market rates.

(h) Trade and other receivables

Trade and other receivables are stated at amortised cost less impairment losses (see accounting policy (j)). The carrying amount of trade debtors approximates net fair value.

(i) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Notes to and forming part of the financial statements

1 Statement of significant accounting policies (continued)

(j) Impairment

The carrying amounts of the Company's assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated (see accounting policy j(i)).

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the statement of profit or loss and other comprehensive income.

The Company recognises loss allowances for expected credit losses (ECL) on financial assets measured at amortised cost. Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECL's. Lifetime ECL's are the ECL's that result from all possible default events over the expected life of a financial instrument.

(i) Calculation of recoverable amount

The recoverable amount of the Company's receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e. the effective interest rate computed at initial recognition of these financial assets). Receivables with a short duration are not discounted.

Impairment of receivables is not recognised until objective evidence is available that a loss event has occurred. Significant receivables are individually assessed for impairment. Impairment testing of significant receivables that are not assessed as impaired individually is performed by placing them into portfolios of significant receivables with similar risk profiles and undertaking a collective assessment of impairment. Non-significant receivables are not individually assessed. Instead, impairment testing is performed by placing non-significant receivables in portfolios of similar risk profiles, based on objective evidence from historical experience adjusted for any effects of conditions existing at each balance sheet date.

(ii) Reversals of impairment

Impairment losses are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimate used to determine the recoverable amount.

An impairment loss in respect of receivables carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

(k) Employee benefits

Employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

(l) Retained earnings

The principal activity of the Company is to provide relief to persons who have worked in and contributed to the Australian music industry and are in need, or suffering hardship or distress. Any funds received by way of donations or other activities for the purpose of providing grants to provide relief not expended at the period end are carried forward against expenditure in future periods. It is not the intention of the Company to utilise retained surpluses for distribution other than on its principal activities. The Company is a not-for-profit entity.

Notes to and forming part of the financial statements

1 Statement of significant accounting policies (continued)

(m) Property, plant and equipment

Owned assets

Items of property, plant and equipment are stated at cost or deemed cost less accumulated depreciation (see accounting policy j).

Depreciation

Depreciation is charged to the income statement on a straight-line basis over the estimated useful life of each part of an item of property, plant or equipment. The estimated useful life in the current period is as follows:

- Computer hardware/laptops and, camera hardware and equipment – 3 years .

The residual value, the useful life and the depreciation method applied to an asset are reassessed at least annually.

- Furniture and Fixtures – 5 years

The residual value, the useful life and the depreciation method applied to an asset are reassessed at least annually.

(n) Intangible assets

Owned assets

Items of intangible assets are stated at cost or deemed cost less accumulated amortisation (see accounting policy j).

Amortisation

Amortisation is charged to the income statement on a straight-line basis over the estimated useful life of each part of an intangible asset. The estimated useful life in the current period is as follows:

- Website at cost – 5 years

The residual value, the useful life and the depreciation method applied to an asset are reassessed at least annually.

- Customer Relationship Management Database – 5 years

The residual value, the useful life and the depreciation method applied to an asset are reassessed at least annually.

Notes to and forming part of the financial statements

1 Statement of significant accounting policies (continued)

(o) New accounting standards and interpretations

(i) New accounting standards adopted in the current year

AASB 15 Revenue from Contracts with Customers

The Company applied AASB 15 Revenue from Contracts with Customers with a date of initial application of 1 July 2019. AASB 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. As a result, the company has changed its accounting policy for revenue recognition to identify performance obligations within contracts with customers, determine transaction prices and allocate them appropriately to each obligation. The Company shall recognise revenue when it transfers control over a product or service to a customer. As the Company is considered a not-for-profit entity, the appropriateness of AASB 1058 will be assessed, as detailed below. AASB 15 replaces existing revenue recognition guidance, including AASB 118 Revenue. Impact on adoption was not material and did not require any changes to the financial statements.

AASB 1058 Income for Not-for-Profit Entities

The Company applied AASB 1058 Income of Non-for-Profit Entities with a date of initial application of 1 July 2019. As a result, the Company changed its accounting policy for revenue recognised. AASB 1058 introduces new income recognition requirements for not-for-profit (NFP) entities and will be considered in conjunction with AASB 15 as outlined above. When a transaction does not meet the requirements to be accounted for under AASB 15 as it is either not an enforceable contract or the performance obligations are not sufficiently specific, a NFP entity needs to assess whether the transaction should be accounted for under AASB 1058. A NFP entity applies AASB 1058 to transactions where the consideration paid to acquire an asset is significantly less than fair value of that asset principally to enable the entity to further its objectives, or it is a receipt of volunteering services. Upon assessment of the Company's revenue stream and the nature of the goods and services provided, AASB 1058 has no impact on the Company's financial statements as at 30 June 2020, and revenue recognition as outlined in Note 1 (c) remains appropriate. Impact on adoption was not material and did not require any changes to the financial statements.

AASB 16 Leases

AASB 16 Leases removes the lease classification test and required all leases (including operating leases) to be brought onto the balance sheet. The definition of a lease is also amended and is now the new on/off balance sheet test for lessees. Management has assessed the impact of AASB 16 and with no leases, has deemed the impact to be nil.

(ii) New accounting standards and interpretations not yet adopted

There are no new accounting standards or interpretations which are expected to have a material effect on the Company.

Notes to and forming part of the financial statements

2 Revenue

	2020 \$	2019 \$
Revenue		
Donations	2,230,685	636,824
Government Grants	859,856	-
Help-a-Mate Appeals and Benefits	224,860	556,647
Music In the House Fundraising Event	-	214,681
AusMusicTShirt Day Appeal	270,632	106,836
Partnership Program	39,600	-
Community Fundraising proceeds	576,119	186,947
Membership fees	1,012	1,178
	<u><u>4,202,764</u></u>	<u><u>1,703,113</u></u>

Government grants represent the amount of performance obligations completed during the year in respect of the \$10million grant received from the Department of Infrastructure, Transport, Regional Development and Communications. An amount of \$9,140,144 has been deferred (see Note 10) and will be recognised as revenue in the future, as performance obligations required under the Grant Agreement are completed.

3 Other Income

	2020 \$	2019 \$
Other Income		
Interest income	6,161	8,245
Interest income - Endowment donations	683	885
COVID-19 cash flow boost	37,899	-
	<u><u>44,743</u></u>	<u><u>9,130</u></u>

4 Auditor's Remuneration

	2020 \$	2019 \$
Audit Services		
Auditor's of the company - KPMG		
- Audit of the financial report	3,750	3,750
	<u><u>3,750</u></u>	<u><u>3,750</u></u>

Notes to and forming part of the financial statements

5 Cash Assets

	2020 \$	2019 \$
Cash at bank	13,570,827	715,648
Cash and cash equivalents	13,570,827	715,648
Cash on deposit	319,232	312,134
Cash on deposit - endowment donation	35,000	35,000
Cash on deposit	354,232	347,134
	13,925,059	1,062,782

6 Receivables

	2020 \$	2019 \$
Trade and other receivables	156,301	60,500
Prepayments	60,823	27,937
Interest receivable	1,319	2,644
Net GST receivable	-	2,975
	218,443	94,056

7 Property, plant & equipment

	2020 \$	2019 \$
Plant and Equipment		
Plant and equipment – at cost	12,326	12,326
Less: accumulated depreciation	(10,792)	(8,621)
	1,534	3,705

Reconciliations

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current financial period are set out below:

	2020 \$	2019 \$
Carrying amount at 1 July	3,705	4,786
Additions	-	1,295
Depreciation expense	(2,171)	(2,376)
Carrying amount at 30 June	1,534	3,705

Notes to and forming part of the financial statements

8 Intangible Assets

	2020	2019
	\$	\$
Intangible Assets		
Website, CRM and CMS databases costs - at cost	54,964	42,179
Less: accumulated amortisation	(39,738)	(31,851)
	<u>15,226</u>	<u>10,328</u>

Reconciliations

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current financial period are set out below:

	2020	2019
	\$	\$
Carrying amount at 1 July	10,328	18,764
Additions	12,785	-
Amortisation expense	(7,887)	(8,436)
Carrying amount at 30 June	<u>15,226</u>	<u>10,328</u>

9 Payables

	2020	2019
	\$	\$
Trade and other payables	65,471	11,541
Net GST payable	984,189	-
	<u>1,049,660</u>	<u>11,541</u>

10 Deferred donor restricted funds

	2020	2019
	\$	\$
Grant funding - COVID-19	9,140,144	-
Other contributions - COVID-19 Film & TV	981,307	-
Other restricted contributions	867	354
	<u>10,122,318</u>	<u>354</u>

The Grant funding – COVID-19 deferred donor restricted funds represents the Company's requirement to fulfil certain future performance obligations as specified in the Grant Agreement (refer to Note 2).

Notes to and forming part of the financial statements

11 Information and declarations to be furnished under the Charitable Fundraising Act 1991

	2020	2019
	\$	\$
(i) Details of aggregate gross income and total expenses of fundraising activities:		
Gross proceeds from fundraising activities		
Help-a-Mate Appeals and Benefits	224,860	556,647
Music In the House Fundraising Event	-	214,681
AusMusicTShirt Day Appeal	270,632	106,836
Partnership Program	39,600	-
Community Fundraising proceeds	579,119	186,947
Membership fees	1,012	1,178
Donations/Grants - General	598,452	470,417
Donations/Grants - Donor Restricted	2,489,089	165,407
Donations - Hall Trust	-	1,000
Total	4,202,764	1,703,113
Less total direct cost of fundraising activities		
Help-A-Mate Events	-	220
Music In the House	-	86,075
AusMusicTShirt Day	19,966	16,400
Other Fundraising Events	2,279	12,989
	22,245	115,684
Employee & contractor expenses - Fundraising	203,279	172,498
Total	225,524	288,182
Net surplus from fundraising activities	3,977,240	1,414,931

	2020	2019
	\$	\$

(ii) Application of net surplus from fundraising activities:

Net surplus from fundraising activities	3,977,240	1,414,931
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This surplus is used as a benevolent fund to provide relief to persons who have worked in and contributed to the Australian music industry and are in need or suffering hardship or distress.

During the year, grants, concert benefit payments (including proceeds of authorised personal appeals) and wellbeing service costs of \$1,515,116 (2019: 913,695) were paid or are payable at 30 June 2020. In addition, employee and contractor costs of service delivery paid or payable were \$531,449 (2019: 258,711).

Notes to and forming part of the financial statements

11 Information and declarations to be furnished under the Charitable Fundraising Act 1991 (continued)

	2020	2020	2019	2019
	\$	%	\$	%

(iii) Comparison of certain monetary figures and percentages

Total cost of fundraising/gross income from fundraising	225,524 / 4,202,764	5%	288,182 / 1,703,113	17%
Net surplus from fundraising / gross income from fundraising	3,977,240 / 4,202,764	95%	1,414,931 / 1,703,113	83%
Total service delivery expenditure including grants paid / total expenditure	2,046,565 / 2,402,150	85%	1,172,406 / 1,574,387	74%
Total service delivery expenditure including grants paid / total revenue	2,046,565 / 4,247,507	48%	1,172,406 / 1,712,243	68%

Notes to and forming part of the financial statements

12 Members' guarantee

The Company is a company limited by guarantee. The guarantee of members in the event of the winding up of the company is \$10 for each member. At 30 June 2020 membership of the Company comprised 803 (2019: 782) full members, resulting in a total guarantee of \$8,030 (2019: \$7,820).

13 Notes to the statement of cash flows

(i) Reconciliation of cash

For the purposes of the statement of cash flows, cash includes cash on hand and at bank and short term deposits at call, net of outstanding bank overdrafts. Cash as at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	2020 \$	2019 \$
Cash and cash equivalents	13,570,827	715,648

(ii) Reconciliation of net profit to net cash provided by operating activities

	2020 \$	2019 \$
Net profit	1,845,357	137,856
Add non-cash items		
Depreciation and amortisation	10,058	10,812
Net cash provided by operating activities before changes in assets and liabilities	1,855,415	148,668
Change in operating assets and liabilities:		
Increase in receivables	(124,387)	(80,652)
Increase in payables, unpaid grants and deferred donor restricted funds	11,115,678	288,371
Increase in employee entitlements	28,356	4,272
Net cash inflow from operating activities	12,875,062	360,659

Notes to and forming part of the financial statements

14 Related parties

Key management personnel

The following were key management personnel of the company at any time during the reporting period and unless otherwise indicated were key management personnel for the entire period:

Directors

Sally Howland (Chair)	
Lynne Small (Secretary)	
Catherine Haridy	Retired 29/11/2019
Fifa Riccobono	Retired 29/11/2019
John O'Donnell	
Keith Potger	Retired 29/11/2019
Linda Courtney	
Mark Callaghan	Retired 29/11/2019
John Watson	
Karin Lines	
Leah Flanagan	
Sebastian Chase	
David Albert	Appointed 29/11/2019
Alethea Beetson	Appointed 29/11/2019
Tom Larkin	Appointed 29/11/2019

CEO

Clive Miller

Key management personnel compensation

Total key management personnel compensation in respect of 2020 was \$172,558 (2019: \$154,696).

Other key management personnel transactions

None of the key management personnel have entered into a material contract with the company since the end of the previous financial year and there were no material contracts involving directors' interests at year end.

Notes to and forming part of the financial statements

15 Financial instruments

Financial risk management and transactions

Overview

The Company has exposure to the following risks from the use of financial instruments:

- credit risk;
- liquidity risk; and
- market risk.

This note presents information about the Company's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included in this note.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board is responsible for developing and monitoring risk management policies.

Risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the consolidated activities.

The Board of Directors oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

Credit risk

Credit risk represents the loss that would be recognised if a counterparty failed to perform their contractual obligations and arises principally from the Company's receivables from advances.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due. The Company's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and unusual conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The contractual maturities of financial liabilities, as represented by trade and other payable, deferred donor restricted funds and unpaid grants, are all within one year. The carrying amount of these liabilities also represents the contractual cash flows.

Market risk

Market risk is the risk that changes in market prices such as interest rates and share market fluctuations will affect the Company's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Notes to and forming part of the financial statements

15 Financial instruments (continued)

Interest rate risk

Profile

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments related to cash and cash on deposit balances totalling \$13,925,059 at variable interest rates (2019: \$1,062,782).

Sensitivity analysis

If interest rates had changed by plus (or minus) 1% per annum from the interest rate at the year end, with all other variables held constant, the Company's profit before income tax for the year would have been \$4,409 higher (or lower) (2019: \$3,471).

Fair value hierarchy

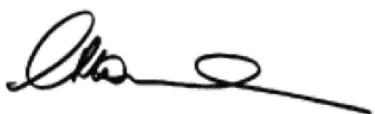
The Company no longer holds any investments recognised at fair value.

Directors' declaration

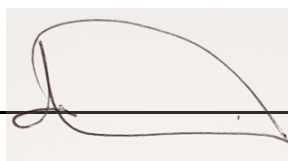
1. In the opinion of the directors of Support Act Limited ("the Company"):
 - (a) the financial statements and notes set out on pages 7 to 24 are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including;
 - (i) giving a true and fair view of the financial position of the Company as at 30 June 2020 and of its performance, for the year ended on that date;
 - (ii) complying with Australian Accounting Standards and the Australian Charities and Not-for-profit Commission Regulation 2013; and
 - (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
 - (c) the financial report gives a true and fair view of all income and expenditure of Support Act Limited with respect to fundraising appeal activities for the financial year ended 30 June 2020;
 - (d) the statement of financial position gives a true and fair view of the state of affairs with respect to fundraising appeal activities as at 30 June 2020;
 - (e) the provisions of the Charitable Fundraising NSW Act 1991 and Regulations, and the WA Charitable Collections Act 1946 and Regulations 1947, and the conditions attached to the authority have been complied with for the financial year ended 30 June 2020; and
 - (f) the internal controls exercised by Support Act Limited are appropriate and effective in accounting for all income received and applied from any fundraising appeals.
2. The directors draw attention to Note 1(a) to the financial statements which includes a statement of compliance with International Financial Reporting Standards.

Dated at Sydney this 28th day of October 2020.

Signed in accordance with a resolution of the directors:



Director



Director



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Support Act Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Support Act Limited for the financial year ended 30 June 2020 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

Cameron Slapp

Partner

Sydney

28 October 2020



Independent Auditor's Report

To the members of Support Act Limited

Report on the audit of the Financial Report

Qualified Opinion

We have audited the **Financial Report**, of the Support Act Limited (the Company).

In our opinion except for the possible effects of the matter described in the Basis for Qualified opinion section of our report, the accompanying Financial Report of the Company is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*, including:

- i. giving a true and fair view of the Company's financial position as at 30 June 2020, and of its financial performance and its cash flows for the year ended on that date; and
- i. complying with *Australian Accounting Standards* and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

The **Financial Report** comprises:

- i. Statement of financial position as at 30 June 2020.
- ii. Statement of profit or loss and other comprehensive income, Statement of changes in equity, and Statement of cash flows for the year then ended.
- iii. Notes including a summary of significant accounting policies.
- iv. Directors' declaration of the Company.
- v. Declaration by the Directors' in respect of fundraising appeals of the Company.

Basis for Qualified opinion

Fundraising revenue in the form of cash donations are a significant source of fundraising revenue for the Company. The Company has determined that it is not practicable to maintain controls over the collection of cash donations prior to entry into its financial records. Accordingly, as the evidence available to us regarding fundraising revenue from this source was limited, our audit procedures with respect to cash donations was restricted to the amounts recorded in the financial records. We therefore are unable to express an opinion whether the cash donations to the Company, reported in the accompanying Financial Report is complete.

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.



Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Company in accordance with the auditor independence requirements of the *ACNC Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

Other information

Other Information is financial and non-financial information in Support Act Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

The Other Information we obtained prior to the date of this Auditor's Report was the Directors' Report.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the Basis for Qualified opinion section above, we were unable to obtain sufficient appropriate evidence about the completeness of cash donations. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- i. Preparing the Financial Report that gives a true and fair view in accordance with Australian Accounting Standards and the ACNC.
- ii. Preparing the Financial Report in accordance with Section 24(2) of the Charitable Fundraising (NSW) Act 1991 and Regulations and with Section 15(1) and 15(2) of the WA Charitable Collections Act 1946 and Regulations 1947 (the Acts and Regulations).
- iii. Implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.
- iv. Assessing the Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- i. to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- ii. to issue an Auditor's Report that includes our 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. They 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*, we exercise professional judgement and maintain professional scepticism throughout the audit.

We also:

- i. 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 our 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.
- ii. Obtain an understanding of internal control relevant to the Audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the registered Company's internal control.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- iv. Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the registered Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Financial Report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the registered Company to cease to continue as a going concern.
- v. 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.

We communicate with the Directors of the registered Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

In addition we have:

- i. Obtained an understanding of the internal control structure for fundraising appeal activities.
- ii. Examined on a test basis of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising appeal activities pursuant to the Acts and Regulations.



We have not audited on a continuous basis the accounting records relied upon for reporting on fundraising appeal activities. These do not necessarily reflect accounting adjustments after the event or normal year-end financial adjustments required for the preparation of Financial Report such as accruals, prepayments, provisioning and valuations.

Report on Other Legal and Regulatory Requirements

Opinion pursuant to the Charitable Fundraising Act (NSW) 1991

In our opinion, except for the possible effects of matter described in the basis for qualified opinion paragraph:

- i. the Financial Report gives a true and fair view of the Company's financial result of fundraising appeal activities for the financial year ended 30 June 2020;
- ii. the Financial Report has been properly drawn up, and the associated records have been properly kept for the period from 1 July 2019 to 30 June 2020, in accordance with the *Charitable Fundraising Act (NSW) 1991* and Regulations;
- iii. money received as a result of fundraising appeal activities conducted during the period from 1 July 2019 to 30 June 2020 has been properly accounted for and applied in accordance with the *Charitable Fundraising Act (NSW) 1991* and Regulations; and
- iv. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Opinion pursuant to the Charitable Collections Act (WA) 1946 and Charitable Collections Regulations (WA) 1947

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion paragraph the Company has complied, in all material respects, with the requirements of the *Charitable Collections Act (WA) 1946* and *Charitable Collections Regulations (WA) 1947* for the year ended 30 June 2020.

KPMG

Cameron Slapp

Partner

Sydney

28 October 2020