

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

Annual Financial Report
30 June 2024

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 2024 and the independent auditor's report thereon.

Directors

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

Lynne Small (Co-Chair and Company Secretary)

Non-Executive Director since 22 April 2013

Co-Chair since 1 December 2022; Company Secretary since 20 December 1998

Chief Operating Officer of the Phonographic Performance Company of Australia Limited and the Australian Recording Industry Association Ltd. Director and Vice Chair of the Australian Copyright Council.

David Albert (Co-Chair)

Non-Executive Director since 29 November 2019

Co-Chair since 1 December 2022

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; Retired 11 December 2023

Creative Director of BLAKSOUND + Blak Social, Aboriginal and Torres Strait Islander Program Lead at Spotify.

Jonathan Carter

Non-Executive Director since 1 December 2022; Resigned 31 December 2023

Chief Operating Officer at founding member APRA AMCOS, Jonathan joined the Board as the APRA Representative in December 2022. Jonathan has 20 years' experience working in legal and strategy roles across the creative industries and is also a Director of the Australian Copyright Council and Screenrights. He holds double first class honours degrees in Arts and Law from the University of Sydney and an MBA from the Australian Graduate School of Management.

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 1 January 2024

Director of the National Aboriginal & Torres Strait Islander Music Office, an all-Indigenous-led and staffed department within APRA AMCOS. A renowned independent songwriter and musician, Leah's journey as an artist is woven with a myriad of diverse guest appearances including recently contributing to Midnight Oil's live band as a backing and featured vocalist for their Resist world tour and collaborator on their ARIA Award-winning EP The Makarrata Project. Leah is of Alyawarr descent and is passionate when it comes to spotlighting music from the Indigenous music community and has lent her voice to projects such as Archie Roach's 25th anniversary reissue of Charcoal Lane, The Mission Songs Project Album, Buried Country, The Story of Aboriginal Country Music as well as festival productions, The Black Arm Band and The Spirit of Churaki.

Directors' Report (continued)

Jaime Gough

Non-Executive Director since 20 December 2023

Jaime is Managing Director of independent music publisher Concord Music Publishing ANZ (formerly Native Tongue). Concord Music Publishing is a global, full-service, independent music publisher offering bespoke creative support. Jaime is Chair of the Australasian Mechanical Copyright Owners Society Limited (AMCOS), a Director of the Australasian Performing Right Association Limited (APRA) and a Director of the Australasian Music Publishers Association Limited (AMPAL). During his career, Jaime has represented a wide range of songwriters and catalogues including Marlon Williams, The Amity Affliction, Elvis Presley, Prince and Daft Punk.

Kirti Jacobs

Non-Executive Director since 1 January 2024

Kirti Jacobs heads the People & Culture function at APRA AMCOS, a music rights organisation that helps music creators get paid for their work and give music users easy ways to legally play and copy the music they need and love. As a senior people, culture and communications leader, she has a broad base of operational and consulting experience in the social impact, financial services and corporate sectors, working at the intersection of human and organisational systems, in complex contexts that involve multiple and diverse stakeholders, require broad collaboration and seek to address complex problems. She is a Fellow Certified Practitioner Human Resources (FCPHR) with the Australian HR Institute, a member of the Australian Institute of Company Directors and a Director of The Kidman Foundation.

Robyn Jelleff

Non-Executive Director since 16 August 2023

Starting out as a lighting designer in early 80's Melbourne, Robyn later made her way to London, touring the UK, Europe and USA extensively throughout the 80's and 90's. During this time she made the move from lighting to show production, tour and event management, eventually becoming co-director of True North, a UK-based production company. She was also a founding member of the Production Services Association UK (PSA). Since returning to Australia in 2000, Robyn continued to run her own company, Jelleff & Co., working predominantly in touring and events. She is a member of CrewCare and in recent years has been the Project Manager for their Weasle Eicke Scholarship training program and a keen advocate of CrewCare's Welfare Officer support role on tours and shows.

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.

Dr Karin Lines

Non-Executive Director since 11 March 2015; Retired 11 December 2023

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.

Directors' Report (continued)

Nikki Maloney

Non-Executive Director since 14 August 2024

Nikki is the Director of Planning, Performance and Regulation at the Mental Health Branch of the NSW Ministry of Health. Nikki has worked in the public sector (both NSW and Commonwealth) in a range of senior policy, management and reform roles. She has previously held Board Director roles in the NSW Gay and Lesbian Rights Lobby and the Aurora Group, a LGBTQI community funding organisation, where she was awarded Life Membership.

Millie Millgate

Non-Executive Director since 27 November 2020; Resigned 31 December 2023

Millie is the Director of Music Australia and was a founding employee and Executive Producer of Sounds Australia with over 25 years' experience. With a background in artist management and booking two of Australia's most iconic live music venues – The Hopetoun and The Annandale Hotel, Millie has also held executive positions with both MusicNSW and the Association of Artist Managers (AAM), along with board positions with FBI Radio, the Australasian Association of Campus Activities (AACA) and Arts Training NSW.

John O'Donnell

Non-Executive Director since 29 November 2017; Retired 11 December 2023

Former Managing Director of EMI Recorded Music Australia. John has spent more than 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.

Jacqueline Purcell

Non-Executive Director since 28 October 2020

Investment team member at TDM Growth Partners and Interim COO at e-commerce enablement platform Rokt. Previously, Chief Financial Officer of global workforce management software business, Deputy and employee engagement software business, Culture Amp. Jacqui spent 8 years as an Executive Director in Morgan Stanley's Mergers and Acquisitions team in New York. Holds an MBA from the Stanford Graduate School of Management and is a member of the Australian Institute of Company Directors.

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 thirty years of experience in the music industry. Before establishing John Watson Management in 1995, John was a self-managed musician, a freelance music journalist and worked in A&R at a major record company.

Directors' Report (continued)

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* |
| Lynne Small (Co-Chair & Secretary) | 6 | 6 |
| David Albert (Co-Chair) | 6 | 6 |
| Alethea Beetson # | 2 | 3 |
| Jonathan Carter | 1 | 3 |
| Linda Courtney | 5 | 6 |
| Leah Flanagan | 1 | 3 |
| Jaime Gough | 2 | 3 |
| Kirti Jacobs | 2 | 3 |
| Robyn Jelleff | 5 | 6 |
| Tom Larkin | 5 | 6 |
| Karin Lines # | 1 | 3 |
| Nikki Maloney | 0 | 0 |
| Millie Millgate | 3 | 3 |
| John O'Donnell # | 3 | 3 |
| Jacqueline Purcell | 6 | 6 |
| John Watson | 6 | 6 |

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

denotes Directors who retired during the period, choosing not to stand for re-election at the end of their term

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 28 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 crisis relief and mental health & wellbeing support to musicians, managers, crew, music workers and music organisations across all genres of music, and to provide culturally intelligent support for First Nations music workers.

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

Directors' Report (continued)

Review of activities and result of operations

The net deficit for the financial year was \$355,110 (2023: net deficit \$1,385,366). Support Act Limited is exempt from income tax.

During the financial year, Support Act Limited has continued to experience significantly greater demand for its services than pre-pandemic levels, as artists, artist managers, crew and music workers continued to deal with the ongoing impacts of the COVID-19 pandemic, along with increased regulatory and economic pressures that are impacting those who are working in the Australian music industry.

With the generous support of donors and sponsors, along with grant funding from the South Australian Government, the Victorian State Government through Creative Victoria and the New South Wales Government through Sound NSW, the Company has continued to provide crisis relief grants to members of the Australian music industry, while also providing ongoing access to the Support Act Wellbeing Helpline and continued development and delivery of a range of mental health and wellbeing programs and resources designed specifically for those who work in music.

The Company was fortunate to receive significant support from State and Federal Governments during the COVID-19 pandemic which allowed the Company to achieve improved economies of scale in its operations during these funding periods, and this was reflected in our service delivery ratios. With that time limited COVID-19 grant funding having been fully expended during the previous financial year, there is a natural correction to our service delivery ratios that can be observed in the current reporting period.

Having been a critical support to our industry during such turbulent times has led to increased exposure and profile for the organisation, which has in turn led to increased demand for the Company's services. The Board has deemed it critical that the Company continue to utilise some of its accumulated reserves in the reporting period to not only provide requisite levels of ongoing support to its service users, but to invest in fundraising programs and IT infrastructure that will position Support Act Limited to continue its support of the industry into the future.

The Board maintains that it is still both prudent and necessary to retain an appropriate level of reserves to keep the organisation in good stead to provide continued, appropriate levels of quality support services.

During the financial year, Support Act Limited's auspicing of the National Consultation on Sexual Harm, Harassment and Systemic Discrimination in the Contemporary Australian Music Industry (referred to herein as the "Music Industry Review") remained in effect under the Memorandum of Understanding entered into with the Project Oversight Group during the financial year 2022. During the reporting period, the Project Oversight Group and project stakeholders agreed that, in furtherance of Recommendation 12 of the Raising Their Voices report, the remaining funding for the project held by the Company would be made available to an Aboriginal and Torres Strait Islander working group, to be curated and hosted by the First Nations Team at Support Act Limited, who will have the remit to commission an Aboriginal and Torres Strait Islander-led review and present recommendations to address their underrepresentation, treatment and participation in the music industry. With the new working group yet to be established and formalised, the original auspicing arrangement remains in effect at the date of issue of this report.

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.

Directors' Report (continued)

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, mental health and wellbeing support 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 \$5,134 (2023: \$4,830) were paid in respect of the Directors and officers 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 2024 membership of the Company comprised 896 (2023: 858) full members, resulting in a total guarantee of \$8,960 (2023: \$8,580).

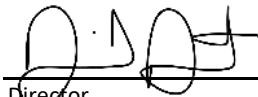
Directors' Report (continued)

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.

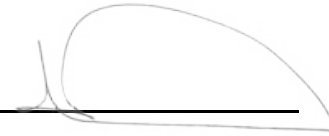
Dated at Sydney this 30th day of October 2024.

Signed in accordance with a resolution of the Directors:



Director

David Albert



Director

Lynne Small

**Statement of Profit or Loss and Other Comprehensive Income
for the year ended 30 June 2024**

| | Notes | Year Ended 30-Jun-24 \$ | Year Ended 30-Jun-23 \$ |
|--|-------|-------------------------------|-------------------------------|
| Revenue | | | |
| Revenue | 2 | 3,156,370 | 3,700,578 |
| Other income | 3 | 167,588 | 60,124 |
| Total revenue | | <u>3,323,958</u> | <u>3,760,702</u> |
| Expenses | | | |
| Grants paid or payable | | (771,547) | (2,350,581) |
| Employee and contractor expenses - Service delivery | | (1,233,735) | (1,164,278) |
| Wellbeing services expenditure | | (637,468) | (622,412) |
| Employee and contractor expenses - Fundraising | 11(i) | (476,932) | (408,564) |
| Fundraising and event expenditure | 11(i) | (247,124) | (220,770) |
| Other operating expenses | | (312,262) | (378,351) |
| Loss on disposal of plant and equipment | 7 | - | (1,112) |
| Total expenses | | <u>(3,679,068)</u> | <u>(5,146,068)</u> |
| Net deficit | | <u>(355,110)</u> | <u>(1,385,366)</u> |
| Other comprehensive (deficit) / income | | - | - |
| Total comprehensive (deficit) / income for the year | | <u>(355,110)</u> | <u>(1,385,366)</u> |

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 13 to 26.

**Statement of Financial Position
as at 30 June 2024**

| | Notes | Year Ended 30-Jun-24 \$ | Year Ended 30-Jun-23 \$ |
|---|-------|-------------------------------|-------------------------------|
| Current Assets | | | |
| Cash and cash equivalents | 5 | 1,260,359 | 1,092,140 |
| Cash on deposit | 5 | 3,785,000 | 3,644,135 |
| Trade and other receivables | 6 | 722,300 | 122,751 |
| Total Current Assets | | 5,767,659 | 4,859,026 |
| Non-Current Assets | | | |
| Property, plant and equipment | 7 | 16,755 | 12,033 |
| Intangible assets | 8 | 41,889 | 9,135 |
| Total Non-Current Assets | | 58,644 | 21,168 |
| Total Assets | | 5,826,303 | 4,880,194 |
| Current Liabilities | | | |
| Trade and other payables | 9 | 234,692 | 68,470 |
| Employee entitlements | | 146,134 | 123,573 |
| Deferred donor restricted funds | 10 | 1,362,562 | 249,408 |
| Unpaid grants | | 110,748 | 157,430 |
| Personal appeals and benefit concerts payable | | 294 | 811 |
| Income received in advance | | 90,545 | 62,000 |
| Total Current Liabilities | | 1,944,975 | 661,692 |
| Non-Current Liabilities | | | |
| Employee entitlements | | 25,771 | 7,835 |
| Total Non-Current Liabilities | | 25,771 | 7,835 |
| Total Liabilities | | 1,970,746 | 669,527 |
| Net Assets | | 3,855,557 | 4,210,667 |
| Retained Surplus | | 3,855,557 | 4,210,667 |

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 13 to 26.

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

| | 2024 | 2023 |
|--|-------------------------|-------------------------|
| | \$ | \$ |
| Retained surplus at the beginning of the financial year | <u>4,210,667</u> | <u>5,596,033</u> |
| Total comprehensive (deficit) / income for the period | (355,110) | (1,385,366) |
| Retained surplus at the end of the financial year | <u>3,855,557</u> | <u>4,210,667</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 13 to 26.

Statement of Cash Flows
for the year ended 30 June 2024

| | Notes | 2024 \$ | 2023 \$ |
|---|--------|-------------------------|---------------------------|
| Cash flows from operating activities | | | |
| Cash receipts in the course of operations (inclusive of goods and services tax) | | 2,932,919 | 3,899,003 |
| Cash payments in the course of operations (inclusive of goods and services tax) | | (2,703,430) | (6,692,228) |
| Interest received | | 128,910 | 30,014 |
| Net cash inflows / (outflows) from operating activities | 13(ii) | <u>358,399</u> | <u>(2,763,211)</u> |
| Cash flows from investing activities | | | |
| Payments for property, plant & equipment | | (13,090) | (8,399) |
| Payments for intangible assets | | (36,225) | - |
| Increase in cash on deposit | | (140,865) | (3,286,045) |
| Net cash outflows from investing activities | | <u>(190,180)</u> | <u>(3,294,444)</u> |
| Net decrease in cash held | | 168,219 | (6,057,655) |
| Cash at the beginning of the financial year | | 1,092,140 | 7,149,795 |
| Cash at the end of the financial year | 13(i) | <u>1,260,359</u> | <u>1,092,140</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 13 to 26.

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 and is a not-for-profit entity.

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 30 October 2024.

(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 2022.

(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 2024 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.

(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.

Notes to and forming part of the financial statements

1 Statement of significant accounting policies (continued)

(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.

(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 ECLs. Lifetime ECLs are the ECLs 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.

Notes to and forming part of the financial statements

1 Statement of significant accounting policies (continued)

(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 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.

(m) Property, plant and equipment

Owned assets

Items of property, plant and equipment are stated at cost or deemed cost less accumulated depreciation.

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
- Furniture and Fixtures – 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)

(n) Intangible assets

Owned assets

Items of intangible assets are stated at cost or deemed cost less accumulated amortisation.

Software-as-a-Service (SaaS) arrangements

SaaS arrangements are service contracts providing the Company with the right to access the cloud provider's application software over the contract period. As such, the Company does not receive a software intangible asset at the contract commencement date.

The following outlines the accounting treatment of costs incurred in relation to SaaS arrangements:

| | |
|---|---|
| Recognise as an operating expense over the term of the service contract | - Fee for use of application software - Customisation costs |
| Recognise as an operating expense as the service is received | - Configuration costs - Data conversion and migration costs - Testing costs - Training costs |

Costs incurred for the development of software code that enhances or modifies, or creates additional capability to, existing on-premise systems and meets the definition of and recognition criteria for an intangible asset are recognised as intangible software assets.

In applying the entity's accounting policy, the directors made the following key judgements that may have the most significant effect on the amounts recognised in the financial statements.

Determination whether configuration and customisation services are distinct from the SaaS access

Implementation costs including costs to configure or customise the cloud provider's application software are recognised as operating expenses when the services are received.

Where the SaaS arrangement supplier provides both configuration and customisation services, judgement has been applied to determine whether each of these services are distinct or not from the underlying use of the SaaS application software. Distinct configuration and customisation costs are expensed as incurred as the software is configured or customised (i.e. upfront). Non-distinct configuration and customisation costs are expensed over the SaaS contract term.

Non-distinct customisation activities significantly enhance or modify a SaaS cloud-based application. Judgement has been applied in determining whether the degree of customisation and modification of the SaaS cloud-based application is significant or not.

Capitalisation of configuration and customisation costs in SaaS arrangements

In implementing SaaS arrangements, the Company has developed software code that either enhances, modifies or creates additional capability to the existing owned software. This software is used to connect with the SaaS arrangement cloud-based application.

Notes to and forming part of the financial statements

1 Statement of significant accounting policies (continued)

Judgement has been applied in determining whether the changes to the owned software meets the definition of and recognition criteria for an intangible asset in accordance with AASB 138 Intangible Assets.

During the financial year, the Company recognised \$nil (2023: \$nil) as intangible assets in respect of customisation and configuration costs incurred in implementing SaaS arrangements.

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:

- Client Management Database – 5 years

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

(o) New accounting standards and interpretations

(i) New accounting standards adopted in the current year

No new accounting standards were adopted in the year that had a material impact on the Company.

(ii) New accounting standards and interpretations not yet adopted

There are currently no new standards and amendments to standards which are effective for annual periods beginning after 30 June 2023 that the Company believes are applicable in preparing these financial statements.

Notes to and forming part of the financial statements

2 Revenue

| | 2024 | 2023 |
|--------------------------------------|-------------------------|-------------------------|
| | \$ | \$ |
| Revenue | | |
| Government grants | 853,662 | 1,397,462 |
| Donations and non-Government grants | 946,286 | 1,095,739 |
| Ausmusic T-Shirt Day appeal | 920,550 | 641,671 |
| Music In the House Fundraising Event | 147,847 | 161,813 |
| Community Fundraising proceeds | 147,782 | 250,107 |
| Help-a-Mate appeals and benefits | 98,313 | 33,780 |
| Fee for service income | 29,039 | 24,430 |
| Sponsorships | 11,495 | 8,941 |
| Membership fees | 1,356 | 880 |
| Music Industry Review | 40 | 85,755 |
| | <u><u>3,156,370</u></u> | <u><u>3,700,578</u></u> |

Government grants represent the amount of performance obligations completed during the year in respect of the \$500,000 grant received from the Victorian Government through Creative Victoria during the reporting period, the \$500,000 grant received from the New South Wales Government through Sound NSW during reporting period and the \$250,000 grant received from the South Australian Government during financial year 2022. An amount of \$250,992 relating to the grant received from the Victorian Government has been deferred (see Note 10) and will be recognised as revenue in the future, as performance obligations required under the Funding Agreement are completed.

Music Industry Review represents the amount of performance obligations completed during the year in respect of the National Consultation on Sexual Harm, Harassment and Systemic Discrimination in the Contemporary Australian Music Industry (the Review). An amount of \$70,214 relating to the Review has been deferred (see Note 10) and will be recognised as revenue in the future as performance obligations required under the Memorandum of Understanding are completed.

3 Other Income

| | 2024 | 2023 |
|---------------------------------------|-----------------------|----------------------|
| | \$ | \$ |
| Other Income | | |
| Interest income | 166,164 | 59,724 |
| Interest income - Endowment donations | 1,424 | 400 |
| | <u><u>167,588</u></u> | <u><u>60,124</u></u> |

4 Auditor's Remuneration

| | 2024 | 2023 |
|--|---------------------|---------------------|
| | \$ | \$ |
| Audit Services | | |
| Auditor of the company - KPMG | | |
| - Audit of the annual financial report | 5,225 | 4,389 |
| - Grant acquittal audits | - | 1,045 |
| | <u><u>5,225</u></u> | <u><u>5,434</u></u> |

Notes to and forming part of the financial statements

5 Cash Assets

| | 2024 | 2023 |
|--------------------------------------|------------------|------------------|
| | \$ | \$ |
| Cash at bank | 1,260,359 | 1,092,140 |
| Cash and cash equivalents | 1,260,359 | 1,092,140 |
| Cash on deposit | 3,750,000 | 3,609,135 |
| Cash on deposit - endowment donation | 35,000 | 35,000 |
| Cash on deposit | 3,785,000 | 3,644,135 |
| | 5,045,359 | 4,736,275 |

6 Receivables

| | 2024 | 2023 |
|-----------------------------|----------------|----------------|
| | \$ | \$ |
| Trade and other receivables | 604,544 | 47,792 |
| Prepayments | 48,630 | 44,511 |
| Interest receivable | 69,126 | 30,448 |
| | 722,300 | 122,751 |

7 Property, plant & equipment

| | 2024 | 2023 |
|--------------------------------|---------------|---------------|
| | \$ | \$ |
| Plant and Equipment | | |
| Plant and equipment - at cost | 35,103 | 22,013 |
| Less: accumulated depreciation | (18,348) | (9,980) |
| | 16,755 | 12,033 |

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:

| | 2024 | 2023 |
|----------------------------------|---------------|---------------|
| | \$ | \$ |
| Carrying amount at 1 July | 12,033 | 9,715 |
| Additions | 13,090 | 8,399 |
| Disposals | - | (1,112) |
| Depreciation expense | (8,368) | (4,969) |
| Carrying amount at 30 June | 16,755 | 12,033 |

Notes to and forming part of the financial statements

8 Intangible Assets

| | 2024 | 2023 |
|--|----------------------|---------------------|
| | \$ | \$ |
| Intangible Assets | | |
| Website, CRM and CMS databases costs - at cost | 84,002 | 59,537 |
| Less: accumulated amortisation | <u>(42,113)</u> | <u>(50,402)</u> |
| | <u>41,889</u> | <u>9,135</u> |

Reconciliations

Reconciliations of the carrying amounts of each class of intangible assets at the beginning and end of the current financial period are set out below:

| | 2024 | 2023 |
|----------------------------------|----------------------|---------------------|
| | \$ | \$ |
| Carrying amount at 1 July | 9,135 | 12,607 |
| Additions | 36,225 | - |
| Amortisation expense | <u>(3,471)</u> | <u>(3,472)</u> |
| Carrying amount at 30 June | <u>41,889</u> | <u>9,135</u> |

9 Payables

| | 2024 | 2023 |
|--------------------------|-----------------------|----------------------|
| | \$ | \$ |
| Trade and other payables | 106,823 | 85,159 |
| Net GST payable | <u>127,869</u> | <u>(16,689)</u> |
| | <u>234,692</u> | <u>68,470</u> |

10 Deferred donor restricted funds

| | 2024 | 2023 |
|--------------------------------|-------------------------|-----------------------|
| | \$ | \$ |
| Government Grant funding | 1,250,992 | 104,652 |
| Music Industry Review | 70,214 | 70,254 |
| Other restricted contributions | <u>41,356</u> | <u>74,502</u> |
| | <u>1,362,562</u> | <u>249,408</u> |

Government Grant funding deferred donor restricted funds represents the Company's requirement to fulfil certain future performance obligations as specified in funding agreements with the Victorian State Government through Creative Victoria (refer to Note 2), New South Wales Government through Sound NSW and Australian Government through Creative Australia.

Music Industry Review deferred donor restricted funds represent the Company's requirement to fulfil certain future performance obligations as specified in the Review Memorandum of Understanding (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

| | 2024 | 2023 |
|--|------------------|------------------|
| | \$ | \$ |
| (i) Details of aggregate gross income and total expenses of fundraising activities: | | |
| Gross proceeds from fundraising activities | | |
| Ausmusic T-Shirt Day Appeal | 920,550 | 641,671 |
| Music In the House Fundraising Event | 147,847 | 161,813 |
| Community Fundraising proceeds | 147,782 | 250,107 |
| Help-a-Mate appeals and benefits | 98,313 | 33,780 |
| Sponsorships | 11,495 | 8,941 |
| Membership fees | 1,356 | 880 |
| Music Industry Review | 40 | 85,755 |
| Donations/Grants - General | 609,788 | 756,975 |
| Donations/Grants - Donor Restricted | 1,190,160 | 1,736,226 |
| Total | 3,127,331 | 3,676,148 |
| Less total direct cost of fundraising activities | | |
| Ausmusic T-Shirt Day | 147,933 | 129,331 |
| Music In the House | 73,455 | 77,177 |
| Other fundraising activities | 25,736 | 14,262 |
| | 247,124 | 220,770 |
| Employee & contractor expenses - Fundraising | 476,932 | 408,564 |
| Total | 724,056 | 629,334 |
| Net surplus from fundraising activities | 2,403,275 | 3,046,814 |

| | 2024 | 2023 |
|--|------|------|
| | \$ | \$ |

(ii) Application of net surplus from fundraising activities:

| | | |
|--|------------------|------------------|
| Net surplus from fundraising activities | 2,403,275 | 3,046,814 |
|--|------------------|------------------|

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, proceeds of authorised personal appeals and wellbeing service costs of \$1,409,015 (2023: \$2,972,993) were paid or are payable at 30 June 2024. In addition, employee and contractor costs of service delivery paid or payable were \$1,233,735 (2023: \$1,164,278).

Notes to and forming part of the financial statements

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

| | 2024 | 2024 | 2023 | 2023 |
|--|------|------|------|------|
| | \$ | % | \$ | % |

(iii) Comparison of certain monetary figures and percentages

| | | | | |
|--|-----------------------|-----|-----------------------|------|
| Total cost of fundraising/gross income from fundraising | 724,056 / 3,127,331 | 23% | 629,334 / 3,676,148 | 17% |
| Net surplus from fundraising / gross income from fundraising | 2,403,275 / 3,127,331 | 77% | 3,046,814 / 3,676,148 | 83% |
| Total service delivery expenditure including grants paid / total expenditure | 2,642,750 / 3,679,068 | 72% | 4,137,272 / 5,146,068 | 80% |
| Total service delivery expenditure including grants paid / total revenue | 2,642,750 / 3,323,958 | 80% | 4,137,272 / 3,760,702 | 110% |

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 2024 membership of the Company comprised 896 (2023: 858) full members, resulting in a total guarantee of \$8,960 (2023: \$8,580).

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:

| | 2024 | 2023 |
|---------------------------|-----------|-----------|
| | \$ | \$ |
| Cash and cash equivalents | 1,260,359 | 1,092,140 |

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

| | 2024 | 2023 |
|--|------------------------------|----------------------------------|
| | \$ | \$ |
| Net deficit | (355,110) | (1,385,366) |
| Add non-cash items | | |
| Depreciation and amortisation | 11,839 | 8,441 |
| Fixed asset disposals | - | 1,112 |
| Net cash provided by operating activities before changes in assets and liabilities | <u>(343,271)</u> | <u>(1,375,813)</u> |
| Change in operating assets and liabilities: | | |
| Increase in receivables | (599,549) | (21,343) |
| Increase / (decrease) in payables, unpaid grants, deferred donor restricted funds and income received in advance | 1,260,722 | (1,395,829) |
| Increase in employee entitlements | 40,497 | 29,774 |
| Net cash inflow / (outflow) from operating activities | <u><u>358,399</u></u> | <u><u>(2,763,211)</u></u> |

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

Lynne Small (Co-Chair & Secretary)

David Albert (Co-Chair)

Alethea Beetson Retired 11/12/2023

Jonathan Carter Resigned 31/12/2023

Linda Courtney

Leah Flanagan Appointed 1/1/2024

Jaime Gough Appointed 20/12/2023

Kirti Jacobs Appointed 1/1/2024

Robyn Jelleff Appointed 16/8/2023

Tom Larkin

Karin Lines Retired 11/12/2023

Nikki Maloney Appointed 14/8/2024

Millie Millgate Resigned 31/12/2023

John O'Donnell Retired 11/12/2023

Jacqueline Purcell

John Watson

CEO

Clive Miller

Key management personnel compensation

Total key management personnel compensation in respect of the financial year was \$236,298 (2023: \$225,025).

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 \$5,045,359 (2023: \$4,736,275).

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 surplus for the year would have been \$40,829 higher (or lower) (2023: \$20,492).

Fair value hierarchy

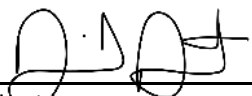
The Company no longer holds any investments recognised at fair value.

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 9 to 26 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 2024 and of its performance, for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the Australian Charities and Not-for-profit Commission Regulation 2022.
 - (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 2024;
 - (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 2024;
 - (e) the provisions of the Charitable Fundraising NSW Act 1991 and Charitable Fundraising Regulation (NSW) 2021, and the conditions attached to the authority have been complied with for the financial year ended 30 June 2024; 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 Australian Accounting Standards.

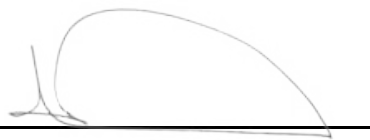
Dated at Sydney this 30th day of October 2024.

Signed in accordance with a resolution of the Directors:



Director
David Albert

Director



Lynne Small



Auditor's Independence Declaration under subdivision 60- C section 60-40 of Australian Charities and Not-for-profits Commission Act 2012

To the directors of Support Act Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2024 there have been:

- i. no contraventions of the auditor independence requirements as set out in the Australian Charities and Not-for-profits Commission Act 2012 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
30 October 2024



Independent Auditor's Report

To the members of Support Act Limited

Opinion

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

In our opinion, 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* and sections 23(1)(d) and 24B of the *Charitable Fundraising Act (NSW) 1991*, including:

- i. giving a true and fair view of the financial position of the Company as at 30 June 2024, and of its financial performance and its cash flows for the year then ended; and
- ii. complying with *Australian Accounting Standards* and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2022 (ACNCR)* and section 21 of the *Charitable Fundraising Regulation (NSW) 2021*.

The **Financial Report** comprises:

- i. Statement of financial position as at 30 June 2024
- 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 opinion

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 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 Director's Report.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or 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.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

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 and ACNCR and sections 23(1)(d) and 24B of the *Charitable Fundraising Act (NSW) 1991* and section 21 of the *Charitable Fundraising Regulation (NSW) 2021*.
- ii. 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.
- iii. 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 the 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 one resulting from error, as fraud may 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.

KPMG

Cameron Slapp

Partner

Sydney

30 October 2024