

# PACT CENTRE FOR EMERGING ARTISTS INCORPORATED

(An Incorporated Association)

ABN 27 421 225 931

**Annual report**

for the year ended 31 December 2011

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# Corporate Information

ABN 27 421 225 931

## **Committee members**

Janine Collins  
Cat Jones (CEO)  
Brian Keogh (Treasurer)  
Jeff Khan  
Annette Madden  
Lara Thoms  
Andrew Symes (Chair)

## **Public Officer**

Michael Brown

## **Registered office and principal place of business**

107 Railway Parade  
ERSKINEVILLE NSW 2043

## **Auditors**

Bruce N. Cowell  
Cowell Watts Panos

## Committees' report

The committee members of PACT Centre for Emerging Artists submit the annual financial report for the financial year ended 31 December 2011. The committee reports as follows:

### COMMITTEE MEMBERS

The names of each person who has been a member of the committee during the year and to the date of this report are:

	Date Appointed	Date of cessation	Board		Finance Committee	
			A	B	A	B
Janine Collins	2008	N/A	7	3	N/A	N/A
Cat Jones	Oct 2009	N/A	7	7	6	6
Brian Keogh	2005	N/A	7	5	6	6
Jeff Khan	2011	N/A	4	3	N/A	N/A
Annette Madden	Oct 2010	N/A	7	4	N/A	N/A
Lara Thoms	2007	N/A	7	6	N/A	N/A
Andrew Symes (Chair)	2009	N/A	7	7	6	5

A Number of meetings held during the time the committee member held office during the year

B Number of meetings attended

Details of committee member's qualifications, experience and special responsibilities can be found on page 9 of this report.

### SHORT- AND LONG-TERM OBJECTIVES AND STRATEGY

#### Mission

PACT feeds the ecology of artistic practice in Australia by providing a centre for emerging artists to create, produce and present inter-disciplinary and experimental contemporary performance, form professional networks and exchange skills.

PACT's mission is to support and produce emerging artists who create performing arts works that push past the boundaries of traditional, mainstream and single artform practices. To provide unique and strategic opportunities for critical dialogue, skills development, creative development, production, presentation and programming of new work by emerging artists.

### **Strategic Goals**

Goal 1 – Provide excellent artistic opportunities and professional pathways for emerging artists in experimental performance

Goal 2 – Position PACT as a leading centre for emerging artists in Australia

Goal 3 – Develop and maintain operational efficiency

Goal 4 – Increase financial stability and flexibility

Goal 5 – Continue to maintain good governance

### **STRATEGIC PLAN: 2011 - 2013**

The areas in which we will achieve significant results over the next three years are:

#### **GOAL 1 – PROVIDE EXCELLENT ARTISTIC OPPORTUNITIES AND PROFESSIONAL PATHWAYS FOR EMERGING ARTISTS**

- Run a successful artistic program of new work by emerging artists
- Develop strategic partnerships on a local (regional), state and national level, that positively benefit participants
- Provide comprehensive professional development opportunities, resources and support
- Monitor and evaluate programs to ensure they meet company objectives

#### **GOAL 2 – POSITION PACT AS A LEADING CENTRE FOR EMERGING ARTISTS IN AUSTRALIA**

- Ensure public relations strategies raise PACT's profile
- Ensure company brand is clear, striking and consistent
- Ensure communication with diverse groups through diverse media
- Reinvigorate the membership program
- Ensure positive audience experience and satisfaction

#### **GOAL 3 – DEVELOP AND MAINTAIN OPERATIONAL EFFICIENCY**

- Maximise human resources
- Provide a well maintained & fully functional physical environment
- Maintain excellent communication

#### **GOAL 4 – INCREASE FINANCIAL STABILITY AND FLEXIBILITY**

- Grow and diversify current non-grant income streams
- Continue to maintain tight control over expenditure
- Create a predictable and orderly capital expenditure program
- Maintain healthy financial reserves

## **GOAL 5 – CONTINUE TO MAINTAIN GOOD GOVERNANCE**

- Ensure transparency and accountability
- Ensure the PACT Board is active and skilled

## **PRINCIPAL ACTIVITIES FOR THE YEAR**

2011 principal activities undertaken by PACT centre for emerging artists Inc to meet its stated objectives included:

### **GOAL 1 – PROVIDE EXCELLENT ARTISTIC OPPORTUNITIES AND PROFESSIONAL PATHWAYS FOR EMERGING ARTISTS**

PACT's artistic program supported and presented 27 new works by over 30 artists / groups, representing the work of over 130 individual artists. This included 2 commissioned works (one of which is fully PACT's first professional commission), 9 creative developments, 2 festivals, 12 original new works, 8 in-bound tours, and 1 remount of an existing work. PACT also presented 4 forums and 2 workshops. PACT presented 2 in bound tours in February and March with a total audience of 358, produced Tiny Stadiums festival in May with audience of 2500, commissioned and produced Bully Beef Stew in June with audience of 450, presented a season of new work as part of the Sydney Fringe in September with a total audience of 1435, created and presented BEGUILLED in November with an audience of 300.

PACT maintained 6 local, state and national creative partnerships including Splendid Arts Lab (NAT), Next Wave Festival (VIC/NAT), Sydney Gay and Lesbian Mardi Gras, Sydney Fringe Festival, Melbourne Fringe Festival (VIC) and a new partnership with National Association for Visual Arts (NAVA) for We Are Here, ARI symposium. PACT developed relationships with Artstart through Queen Street Studios and TAFE NSW and Ian Bowie Memorial Association (IBMA) that provided artistic mentoring for 3 artists / groups through the Vacant Room residency and scholarships (IBMA) for 3 members of PACT Ensemble.

### **GOAL 2 – POSITION PACT AS A LEADING CENTRE FOR EMERGING ARTISTS IN AUSTRALIA**

Profile: Redevelopment of public relations and marketing strategies that included working with independent publicists; partnership with We Are the Nest to redesign the website – launched in September; sponsorship from FBI Radio Presents for Tiny Stadiums Festival; reinvigoration of membership scheme to include member partner benefits with local peer organisations Performance Space, Tamarama Rock Surfers, Griffin, Seymour Centre, Darlinghurst Theatre; social media communication and integration, development of PACT's front of house and ticketing services. Other strategies included ensuring acknowledgement for PACT support in out-bound projects. In Sydney region media PACT programs featured heavily on FBI Radio on air and online; *Sydney Morning Herald* featured reviews of 2 PACT programs, and ran 6 other feature articles and listings for PACT programs. In other print media PACT featured in the *Daily Telegraph* 3 times with listings and feature articles.

PACT programs featured on national radio 3 times, across ABC Radio National and on Triple J. PACT featured in national industry magazine *realttime + onscreen* 3 times in 2011.

### **GOAL 3 – DEVELOP AND MAINTAIN OPERATIONAL EFFICIENCY**

Part-time staff positions received an increase in regular hours due to multi-year funding increase –

Associate Director to 3 days, Communications Co-ordinator to 2 days, Venue and Technical Supervisor to 3 days, as well as an increase of contracted bookkeeping services. Internship programs brought 5 interns to the company to support projects – these included 3 marketing and communications interns, and two production interns, one of whom was secured through an international internship service. The company gained the support of over 30 volunteers throughout the year to assist with front of house services, production and installation and marketing distribution.

#### **GOAL 4 – INCREASE FINANCIAL STABILITY AND FLEXIBILITY**

PACT increased income diversity during the year with further development of new programming strategies for public production seasons; development of bar and refreshment services; as well as securing an increase to multi-year funding and several funded projects. Earned income increased by 76% across box office, bar sales, services and interest. Grant income increased by 27% across multi-year, project and philanthropic grants. PACT invested in assets to increase and strengthen operational productivity and audience experience.

#### **GOAL 5 – CONTINUE TO MAINTAIN GOOD GOVERNANCE**

Assessment of Board skills took place and recruitment secured 1 new Board member. PACT Board members contributed to building a prize package for a successful fundraising raffle.

#### **MEMBERS' GUARANTEE**

The entity is incorporated under the *Associations Incorporation Regulation 2010 under the Associations Incorporations Act 2009* and is an incorporated association. In the event of the association being wound up, each member undertakes to contribute a maximum of \$10 respectively for payment of the company's liabilities – but limited to the amount, if any, unpaid by the member in respect of the total \$10 fee for membership of the association. As at 31 December 2011 there were 7 members of PACT Centre for Emerging Artists and the amount of capital that could be called up in the event of PACT Centre for Emerging Artists being wound up is \$0, with no unpaid association membership fees applicable to any member.

#### **AUDITOR'S INDEPENDENCE**

The auditor's declaration of independence appears on page 10 and forms part of the Committees' report for the year ended 31 December 2011.

Signed in accordance with a resolution of the committee members:



**Andrew Symes**

Chair

Sydney

19<sup>th</sup> April 2012



**Brian Keogh**

Treasurer

Sydney

19<sup>th</sup> April 2012



## Committee members' qualifications, experience and special responsibilities

Name of Director	Qualifications	Experience	Special responsibilities
Janine Collins	Dip Primary Teaching, Grad Dip TESL, Certificate in PR, Graduate Diploma in Journalism	Expertise in public relations, marketing, sponsorship, general business management and strategy. Experience in adult education. Knowledge of national and international arts industry. Qualifications in education, public relations and journalism.	Marketing Subcommittee
Cat Jones	BA (Drama) Acting	Performer, media artist, writer, producer with a focus on festivals. Expertise in programming, project management, financial management, funding. National and international arts knowledge and networks.	CEO, Financial Subcommittee
Brian Keogh	MBA, BSW (Hons)	Freelance business consultant. Expertise in marketing and strategic planning. Experience includes 25 years of directing, managing and providing strategic and business advice for various creative companies, festivals and government departments.	Treasurer, Financial Subcommittee
Jeff Khan	BA (English)	Writer and curator with focus on performance, dance, visual arts and interdisciplinary practice. Experience includes Festival Artistic Director and Company Co-Director. Expertise in festival direction, company direction, national and international arts networks, relationship management, funding, sponsorship and philanthropy.	
Annette Madden	BA Communication (Theatre/Media)	(WA) Associate Producer Perth International Festival. Expertise in programming, creative producing, artistic development and theatre and festival program management.	Marketing Subcommittee
Lara Thoms	BA (Communications) Media Arts	(VIC) Multi-media artist, designer, writer, curator. In-depth knowledge of PACT as a participant and contractor. Knowledge of national arts industry.	
Andrew Symes	BA (History and Philosophy), LLB (Hons), Graduate Diploma Legal Practice	Expertise in legal, compliance and general business management and strategy. Singer (operatic), strong interest in the performing arts.	Chairperson, Financial Subcommittee

## Auditor's independence declaration

To the members of PACT Centre for Emerging Artists Incorporated

I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) The auditors independence requirements of the *Associations Incorporation Act 2009* in relation to the audit
- (ii) Any applicable code of professional conduct in relation to the audit.

**COWELL WATTS PANOS**  
Chartered Accountants



**Bruce N. Cowell**  
Partner  
Sydney  
23 April 2012

## FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 DECEMBER 2011

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FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 DECEMBER 2011

## Statement of comprehensive income

	Note	2011 \$	2010 \$
Revenue			
Performance income		31,968	12,319
Fees & services	3	18,870	13,843
Resource income	4	20,528	25,154
Sponsorship & donations	5	13,983	8,179
Interest		11,514	8,458
Other income		16,675	3,879
Subsidies & grants	6	344,866	274,708
Total revenue		<u>458,404</u>	<u>346,540</u>
Expenses			
Wages, fees & allowances		307,456	224,453
Program costs		23,007	12,886
Marketing costs		16,620	6,426
Infrastructure costs		108,350	101,611
Total expenses		<u>455,433</u>	<u>345,376</u>
Total comprehensive income attributable to members of PACT Incorporated		<u>2,971</u>	<u>1,164</u>

The above statement of comprehensive income should be read in conjunction with the accompanying notes

## Statement of financial position

FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 DECEMBER 2011

		2011	2010
ASSETS	Note	\$	\$
Current assets			
Cash and cash equivalents	7	215,034	152,178
Trade and other receivables	8	2,436	4,383
Prepayments		5,969	5,155
Total current assets		<u>223,439</u>	<u>161,716</u>
Non-current assets			
Intangibles	9	2,739	303
Plant and equipment	10	7,990	12,015
Total non-current assets		<u>10,729</u>	<u>12,318</u>
TOTAL ASSETS		<u>234,168</u>	<u>174,034</u>
LIABILITIES			
Current liabilities			
Trade and other payables	11	25,909	19,861
Provisions	12	16,217	9,436
Income in advance	13	90,561	46,227
Total current liabilities		<u>132,687</u>	<u>75,524</u>
TOTAL LIABILITIES		<u>132,687</u>	<u>75,524</u>
NET ASSETS		<u>101,481</u>	<u>98,510</u>
EQUITY			
Reserves	14	3,832	3,832
Retained earnings		97,649	94,678
TOTAL EQUITY		<u>101,481</u>	<u>98,510</u>

The above statement of financial position should be read in conjunction with the accompanying notes

FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 DECEMBER 2011

## Statement of changes in equity

	Retained earnings \$	Reserves \$	Total equity \$
Balance as at 1 January 2010	93,514	3,832	97,346
Surplus attributable to members	1,164	-	1,164
Balance as at 31 December 2010	94,678	3,832	98,510
Surplus attributable to members	2,971	-	2,971
Balance as at 31 December 2011	97,649	3,832	101,481

The above statement of changes in equity should be read in conjunction with the accompanying notes

FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 DECEMBER 2011

## Statement of cash flows

	Note	2011 \$	2010 \$
Cash flows from operating activities			
Cash received in the course of operations		113,913	68,032
Receipts from appropriations/grants		362,648	195,546
Interest received		11,928	5,862
Payments made to suppliers and employees		(419,357)	(326,917)
Net cash in from operating activities		69,132	(57,477)
Cash flows from investing activities			
Payments for property, plant & equipment		(3,276)	(5,061)
Payments for intangibles		(3,000)	(472)
Net cash used in investing activities		(6,276)	(5,533)
Net increase / (decrease) in cash held		62,856	(63,010)
Cash and cash equivalents at beginning of the financial year		152,178	215,188
Cash and cash equivalents at the end of the financial year	7	215,034	152,178

The above statement of cash flows should be read in conjunction with the accompanying notes

# Notes to and forming part of the financial statements

## 1 CORPORATE INFORMATION

The financial report is for PACT Centre for Emerging Artists (the “Association”) as an individual entity for the year ended 31 December 2011 and was authorised for issue in accordance with a resolution of the committee members dated 19 April 2012.

PACT Centre for Emerging Artists is an incorporated association and domiciled in Australia.

The nature of the operations and principal activities of the Association are described in the Committee Members’ Report.

## 2 SUMMARY OF ACCOUNTING POLICIES

### a) *Basis of preparation*

These general purpose financial statements have been prepared in accordance with the requirements of the *Associations Incorporation Act 2009*, Australian Accounting Standards – Reduced Disclosure Requirements, other authoritative pronouncements of the Australian Accounting Standards Board and Urgent Issues Group interpretations.

The association is classified as a Tier 1 association and complies with Australian Accounting Standards – Reduced Disclosure Requirements as issued by the Australian Accounting Standards Board. The adoption of these Standards has resulted in significantly reduced disclosures in respect of related parties and financial instruments. There was no other impact on the current or prior year financial statements.

The financial report has been prepared on an accrual basis and is based on historical cost convention. It does not take into account changing money value, or except where stated, current valuations of non-current assets. Cost is based on the fair value of the consideration given in exchange for assets.

The financial report is presented in Australian dollars.

### b) *Significant accounting judgements, estimates and assumptions*

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other various factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

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.



## FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 DECEMBER 2011

### Notes to and forming part of the financial statements

#### Significant accounting estimates and judgements

The key estimates and assumptions that have a significant risk of causing material adjustment to the carrying amount of certain assets and liabilities within the next annual reporting period are:

##### *Provision for employee benefits*

Provisions for employee benefits payable after 12 months from the reporting date are based on future wage and salary levels, experience of employee departures, and periods of service, as discussed in Note 2(k). The amount of these provisions would change should any of the employees change in the next 12 months.

#### **c) Revenue recognition**

Revenue is recognised when the association is legally entitled to the income and the amount can be quantified with reasonable accuracy. Revenues are recognised net of the amounts of goods and services tax (GST) payable to the Australian Taxation Office.

#### Revenue from fundraising

##### *Donations*

Donations collected, including cash and goods for resale, are recognised as revenue when the company gains control, economic benefits are probable and the amount of the donation can be measured reliably.

##### *Sponsorship*

Sponsorship commitments are brought to account as income in the year in which sponsorship benefits are bestowed.

#### Interest income

Interest income is recognised as it accrues, using the effective interest method.

#### Government funding

Grant revenue is recognised in the statement of comprehensive income when the association obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the association and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are met.

When grant revenue is received whereby the association incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction, and the grant revenue is recognised in the balance sheet as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

#### Asset sales

FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 DECEMBER 2011

## Notes to and forming part of the financial statements

The gain or loss on disposal of all non-current assets is determined as the difference between the carrying amount of the asset at the time of the disposal and the net proceeds on disposal.

### **d) Expenditure**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Wages, salaries & fees includes all employment related costs such as wages, superannuation, provision for annual leave, provision for long service leave and workers compensation. This category also includes all contracts for labour costs.

Program costs includes all direct costs associated with the delivery of the artistic program

Marketing costs include all direct costs associated with marketing both the artistic program and the company.

Infrastructure costs includes all other indirect costs include office rental and running costs, insurance and depreciation.

### **e) Cash and cash equivalent**

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less. For the purposes of the cash flow statement, cash and cash equivalents consist of cash and cash equivalent as defined above, net of any outstanding bank overdrafts.

### **f) Trade and other receivables**

Trade receivables are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. Normal terms of settlement vary from seven to 90 days. The carrying amount of the receivable is deemed to reflect fair value.

An allowance for doubtful debts is made when there is objective evidence that the association will not be able to collect the debts. Bad debts are written off when identified.

### **g) Plant and equipment**

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses.

Any plant and equipment donated to the association or acquired for nominal cost is recognised at fair value at the date the association obtains control of the assets.

### *Depreciation*

FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 DECEMBER 2011

## Notes to and forming part of the financial statements

Items of plant and equipment are depreciated over their useful lives to the association commencing from the time the asset is held ready for use. Depreciation is calculated on a straight line basis over the expected useful economic lives of the assets as follows:

	2011 %pa	2010 %pa
Theatre equipment	20-33	20-33
Office equipment	20-33	20-33

### *Impairment*

The carrying values of plant and equipment are reviewed for impairment at each reporting date, with the recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. Depreciated replacement cost is used to determine value in use. Depreciated replacement cost is the current replacement cost of an item of plant and equipment less, where applicable, accumulated depreciation to date, calculated on the basis of such cost.

Impairment exists when the carrying value of an asset exceeds its estimated recoverable amount. The asset is then written down to its recoverable amount.

For plant and equipment, impairment losses are recognised in the statement of comprehensive income.

### *Derecognition and disposal*

An item of property, plant and equipment is derecognised upon disposal, when the item is no longer used in the operations of the association or when it has no sale value. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in surplus or deficit in the year the asset is derecognised.

Any part of the asset revaluation reserve attributable to the asset disposed of or derecognised is transferred to general funds at the date of disposal.

### **h) Intangibles**

Software and website are recorded at cost. Software and website have a finite life and are carried at cost less any accumulated amortisation and impairment losses. They have an estimated useful life of between two and three years. They are assessed annually for impairment.

FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 DECEMBER 2011

## Notes to and forming part of the financial statements

### *i) Trade creditors and other payables*

These amounts represent liabilities for goods and services provided to the association prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. The notional amount of the payables is deemed to reflect fair value.

### *j) Deferred income*

The liability for deferred income is the unutilised amounts of grants received on the condition that specified services are delivered or conditions are fulfilled. The services are usually provided or the conditions usually fulfilled within 12 months of receipt of the grant. Where the amount received is in respect of services to be provided over a period that exceeds 12 months after the reporting date, or the conditions will only be satisfied more than 12 months after the reporting date, the liability is discounted and presented as non-current.

### *k) Employee benefits*

Employee benefits comprise wages and salaries and annual leave.

Liabilities for wages and salaries expected to be settled within 12 months of balance date are recognised in other payables in respect of employees' services up to the reporting date. Liabilities for annual leave in respect of employees' services up to the reporting date which are expected to be settled within 12 months of balance date are recognised in the provision for annual leave. Both liabilities are measured at the amounts expected to be paid when the liabilities are settled.

### *l) Taxation*

#### *Income tax*

The company is a charitable institution for the purposes of Australian taxation legislation and is therefore exempt from income tax. This exemption has been confirmed by the Australian Taxation Office. The company holds deductible gift recipient status.

#### *Goods and services tax (GST)*

Revenues, expenses and assets are recognised net of the amount of GST except where the amount of GST incurred is not recoverable from the Australian Taxation Office, in which case it is recognised as part of the cost of acquisition of an asset or as part of an item of expense.

Receivables and payables are recognised inclusive of GST.

The net amount of GST recoverable from or payable to the Australian Taxation Office is included as part of receivables or payables.

FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 DECEMBER 2011

Notes to and forming part of the financial statements

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from or payable to the Australian Taxation Office is classified as operating cash flows.

*m) Going concern*

The financial report has been prepared on a going concern basis, which contemplates continuity of normal trading activities and the realisation of assets and settlement of liabilities in the normal course of business. The association's continued existence is ultimately dependent upon the success of future productions and government support.

If the association is unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and in amounts different from those stated in the financial report.

At the date of the report, the association has received notification that 2012 grant funding has been approved and it is expected the company will be able to continue in its normal capacity.

	2011	2010
	\$	\$
3 Fees & services		
KWP Workshop Fees	3,750	6,073
Auspice fee	1,330	1,200
Management Fee (Projects)	9,739	3,255
Membership fees	696	382
Program Participant Fees	3,355	2,933
	<u>18,870</u>	<u>13,843</u>

FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 DECEMBER 2011

Notes to and forming part of the financial statements

	2011	2010
4 Resource income	\$	\$
Venue Hire	20,460	23,566
Venue Tech Support	-	1,035
Equipment Hire	68	553
	<u>20,528</u>	<u>25,154</u>

5 Sponsorship & donations

General donations	1,083	179
BBM	8,000	8,000
Ian Bowie Memorial Association	1,900	-
Queen Street Studios	3,000	-
	<u>13,983</u>	<u>8,179</u>

6 Subsidies & grants

ArtsNSW - Annual program	75,000	60,000
ArtsNSW - Tiny Stadiums	20,098	-
ArtsNSW - ATSI / OYEA Commission	8,294	-
Australia Council - Triennial funding	131,954	131,625
Australia Council - Project grant	-	6,942
Australia Council - Incubate Commission	25,000	-
City of Sydney - funding	25,000	20,000
City of Sydney - in-kind rental subsidy	59,520	56,141
	<u>344,866</u>	<u>274,708</u>

7 Cash and cash equivalents

Cash on hand	200	200
Short-term deposits	214,834	151,978
	<u>215,034</u>	<u>152,178</u>

FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 DECEMBER 2011

Notes to and forming part of the financial statements

	2011	2010
8 Trade and other receivables	\$	\$
Trade receivables	284	998
Less Provision for Doubtful Debts	(30)	(30)
Accrued income	2,182	2,596
Net GST receivable	-	819
	<u>2,436</u>	<u>4,383</u>

9 Intangible assets

Gross carrying amount

Opening balance	472	-
Additions	3,000	472
Closing balance	<u>3,472</u>	<u>472</u>

Accumulated amortisation

Opening balance	(169)	-
Amortisation expense	(564)	(169)
Closing balance	<u>(733)</u>	<u>(169)</u>

Net book value

As at 31 December	<u>2,739</u>	<u>303</u>
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10 Plant & equipment

2011	Theatre equipment	Leasehold improvements	Office equipment	Total
Gross Carrying Amount				
Balance at 31 December 2010	12,017	214,577	17,389	243,983
Additions	1,800	-	1,476	3,276
Balance at 31 December 2011	<u>13,817</u>	<u>214,577</u>	<u>18,865</u>	<u>247,259</u>
Accumulated Depreciation				
Balance at 31 December 2010	(5,112)	(214,577)	(12,279)	(231,968)
Depreciation expense	(4,267)	-	(3,034)	(7,301)
Balance at 31 December 2011	<u>(9,379)</u>	<u>(214,577)</u>	<u>(15,313)</u>	<u>(239,269)</u>
Net Book Value				
As at 31 December 2011	<u>4,438</u>	<u>-</u>	<u>3,552</u>	<u>7,990</u>

FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 DECEMBER 2011

Notes to and forming part of the financial statements

10 Plant & equipment continued

2010	Theatre equipment	Leasehold improvements	Office equipment	Total
Gross Carrying Amount				
Balance at 31 December 2009	9,243	214,577	15,102	238,922
Additions	2,774	-	2,287	5,061
Balance at 31 December 2010	<u>12,017</u>	<u>214,577</u>	<u>17,389</u>	<u>243,983</u>
Accumulated Depreciation				
Balance at 31 December 2009	(1,727)	(214,577)	(9,317)	(225,621)
Depreciation expense	(3,385)		(2,962)	(6,347)
Balance at 31 December 2010	<u>(5,112)</u>	<u>(214,577)</u>	<u>(12,279)</u>	<u>(231,968)</u>
Net Book Value				
As at 31 December 2010	<u>6,905</u>	<u>-</u>	<u>5,110</u>	<u>12,015</u>

	2011	2010
11 Trade and other payables	\$	\$
Unsecured trade creditors	3,159	3,015
Net GST payable	5,701	-
Sundry creditors & accruals	17,049	16,846
	<u>25,909</u>	<u>19,861</u>

12 Provisions

Provision for annual leave	<u>16,217</u>	<u>9,436</u>
	<u>16,217</u>	<u>9,436</u>
<i>Analysis of total provision</i>		
Current	16,217	9,436
Non-current	-	-
	<u>16,217</u>	<u>9,436</u>



FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 DECEMBER 2011

Notes to and forming part of the financial statements

	2011	2010
13 Income / grants in advance	\$	\$
<i>Grants in advance</i>		
Australia Council - Triennial funding	75,000	-
Australia Council - Incubate commission	-	25,000
Australia Council - Lara Thoms	-	10,300
<i>The Experts Project</i>		
BBM	8,000	8,000
City of Sydney - Musecology	3,524	
<i>Other income in advance</i>		
Security bonds	1,610	1,000
Auspiced income - Quarterbred	2,427	1,927
	<u>90,561</u>	<u>46,227</u>

**14 Permanent Reserves**

The association maintains a Permanent Reserve for the purpose of accumulating capital to ensure its long-term viability and financial security. The reserve may be used at any time for PACT projects that contribute to the association's objectives.

Balance - 1 January	3,832	3,832
Transfer from accumulated funds	-	-
Balance - 31 December	<u>3,832</u>	<u>3,832</u>

**15 Key management**

The names and positions of those having authority for planning, directing and controlling the association's activities, directly or indirectly (other than directors), are:

Mark Robinson – 15/3/11 to 15/4/11

Michael Brown, General Manager – 30/05/11 onwards

FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 DECEMBER 2011

Notes to and forming part of the financial statements

	2011	2010
	\$	\$
16 Lease commitments		
Operating lease commitment - office rent		
Payable - minimum lease payments:		
- not later than 12 months	6,641	6,448
- between 12 months and five years	1,624	8,313
	<u>8,265</u>	<u>14,761</u>

The current property lease granted by the City of Sydney will expire 1 April 2013. The value of the rental subsidy provided by the City of Sydney was \$59,520 in 2011 (2010: \$56,141)

# Independent auditor's report

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PACT CENTRE FOR EMERGING ARTISTS INCORPORATED

### *Report on the Financial Report*

We have audited the accompanying financial report of Pact Centre For Emerging Artists Incorporated (the association), which comprises the statement of financial position as at 31 December 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the statement by the members of the committee.

### *Committee's Responsibility for the Financial Report*

The committee of the association is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Associations Incorporation Act 2009 and for such internal control as the committee determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial report of Pact Centre for Emerging Artists Incorporated is in accordance with the requirements of the Associations Incorporation Act 2009, including:

- i. giving a true and fair view of the association's financial position as at 31 December 2011 and of its performance for the year ended on that date; and
- ii. complying with Australian Accounting Standards.

Name of partner: Bruce Nelson Cowell

Address: 68-70 Crown Street, Sydney, NSW, 2011

Dated this 19<sup>th</sup> day of April 2012

A handwritten signature in black ink, appearing to read 'Bruce Nelson Cowell', is written over a faint, dotted grid background.

## Committee members' declaration

The committee members declare that:

- (a) the financial statements and notes set out in pages 12 to 26 are in accordance with the *Associations Incorporation Act 2009*, including:
  - (i) giving a true and fair view of the association's financial position as at 31 December 2011 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards; and
- (b) There are reasonable grounds to believe that the association will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the committee members:



**Andrew Symes**  
Chair  
Sydney  
19<sup>th</sup> April 2012



**Brian Keogh**  
Treasurer  
Sydney  
19<sup>th</sup> April 2012

ADDITIONAL FINANCIAL INFORMATION FOR THE YEAR ENDING 31 DECEMBER 2011

Schedule 1 - Summarised financial results - Auspiced projects

2011	Ref	The Experts	Musecology	Stagejuice
<i>Income</i>				
Earned income		-	-	127
Grants & subsidies	Sch 2	10,300	8,000	6,000
Total income		10,300	8,000	6,127
<i>Expense</i>				
Wages, salaries & fees		3,500	686	1,308
Other costs		6,800	3,790	4,819
Carried forward to next year		-	3,524	-
Total expense		10,300	8,000	6,127
<i>Net surplus / (deficit)</i>				
		-	-	-

ADDITIONAL FINANCIAL INFORMATION FOR THE YEAR ENDING 31 DECEMBER 2011

Schedule 2: Auspiced project grants & subsidies

2011 Subsidies & Grants		Grants b/fwd	Grants received	Grants applied	Grants c/fwd
<i>Funding Body</i>	<i>Project</i>	2010	2011		2012
Australia Council - Inter Arts Board	Lara Thoms - <i>The Experts Project</i>	10,300	-	10,300	-
City of Sydney	<i>Musecology</i>	-	8,000	4,476	3,524
City of Sydney	<i>Stagejuice</i>		6,000	6,000	-
<b><i>SUBTOTAL</i></b>		<b><i>10,300</i></b>	<b><i>14,000</i></b>	<b><i>20,776</i></b>	<b><i>3,524</i></b>