

РИСТ

2020 Company Report

ABN 27 421 225 931

PACT Centre for Emerging Artists Incorporated

(an incorporated association)

ABN 27 421 225 931

Annual Financial Report

31 December 2020

Contents

PACT Centre for Emerging Artists Incorporated

Table of Contents

Corporate Information	2
Committee Members' Report	3
Auditor's Independence Declaration	8
Statement of Surplus or Deficit and Other Comprehensive Income	9
Statement of Financial Position	10
Statement of Changes in Equity	11
Statement of Cash Flows	12
Notes to the Financial Statements	
1 General information and statement of compliance	13
2 Changes in accounting policies	13
3 Summary of accounting policies	14
4 Revenue	22
5 Cash and cash equivalents	24
6 Trade and other receivables	24
7 Other assets	25
8 Property, plant and equipment	25
9 Intangible assets	26
10 Trade and other payables	26
11 Other liabilities	26
12 Employee remuneration	28
13 Grants liabilities	28
14 Financial risk management	29
15 Leases	29
16 Related party transactions	29
17 Contingent liabilities	30
18 Post-reporting date events	30
19 Member's guarantee	30
20 Charitable fundraising	30
Committee Members' Declaration	31
Independent Auditor's Report	32

Corporate Information

PACT Centre for Emerging Artists Incorporated

	Name	Special Responsibilities
Committee Members	William Jake Blundell Kate Di Mattina Nuala Furtado Diana Jefferson Tessa Leong Emele Ugavule Samantha Watson-Wood	Treasurer
Registered Office and Principal Place of Business	107 Railway Parade Erskineville NSW 2043	
Public Officer	Nuala Furtado	
Auditors	Steven J Miller & Co Chartered Accountants	

Committee Members' Report

PACT Centre for Emerging Artists Incorporated

The Committee members of PACT Centre for Emerging Artists Incorporated (PACT) present their Report together with the financial statements for the year ended 31 December 2020 and the Independent Audit Report thereon.

Committee members' details and meetings

The following persons were committee members of PACT at 31 December 2020.

The number of meetings of committee members during the year and the number of meetings attended by each member is as follows:

Name	Date of Appointment	Date of cessation	Committee meetings	
			A	B
William Jake Blundell	12 Jun 2019	continuing	9	8
Callum Close	31 Jul 2018	28 Apr 2020	4	3
Nuala Furtado	3 Apr 2019	continuing	7	7
Diana Jefferson	2 May 2016	continuing	9	9
Tessa Leong	11 Dec 2018	continuing	9	9
Kate Di Mattina	24 Mar 2020	continuing	7	7
Emele Ugavule	19 Jun 2018	continuing	9	8
Caroline Wake	20 Mar 2017	7 June 2021	9	9
Samantha Watson-Wood	24 Mar 2020	continuing	7	6

A Number of meetings the Committee Member was entitled to attended

B Number of meetings the Committee Member attended

Details of the Committee Members' qualifications, experience and special responsibilities can be found on pages 5 to 7 of this report.

Short and long-term objectives and strategy

Purpose: PACT's 2021-2024 vision is driven by the belief that emerging and experimental artists are the engines that power the arts sector, producing the most groundbreaking works of today and tomorrow. In the short term, PACT provides these artists with the time, space, and rigorous support they need to push themselves and their artistic practice. In the medium- to long-term, we seek to do nothing less than to transform who and what is seen on Australia's stages, screens and galleries.

Context: In 2023, PACT will celebrate 35 years in its Erskineville warehouse and in 2024, it will have its 60th birthday. To honor this history and ensure its future, PACT 2021-24 will see renewed engagement with both local and artistic communities. Locally, we'll be working more closely with the City of Sydney, nearby primary and secondary schools, and neighborhood businesses. Artistically, we'll be deepening our partnerships with our local, regional, national and international partners. We already play a pivotal role in the sector, by supporting 20 percent of artists within contemporary performance festivals in Australia, a statistic we are determined to make even more impressive.

Goals, KPIs, and Strategies: We have four key goals for PACT 2021-24: (1) Adventurous Artists; (2) Vibrant Hub; (3) Strong Organisation; and (4) Bold Reputation. We will realise these goals through ambitious, data-driven strategies that will measure our progress every step of the way.

Artistic Plan: PACT will continue to respond to the needs of the sector generally and emerging artists specifically. We provide opportunities for emerging artists through our Residencies and for emerging curators and producers through our PACT Houses programs.

Committee Members' Report

PACT Centre for Emerging Artists Incorporated

Short and long-term objectives and strategy continued

We also run masterclasses, provide subsidised venue hire, and auspice grants. We support mid-career artists through our new Artistic Directorate.

Organisational Structure: In 2020, PACT is piloting a new organizational structure, led by Executive Producer/CEO Nuala Furtado and driven by an Artistic Directorate of five high-profile mid-career artists. In 2020-22, this Artistic Directorate comprises Amrita Hepi, Malcolm Whittaker, Nat Randall, Sarah Houboult, and Tulleah Pearce. This new model of collective leadership heightens PACT's profile and deepens our support of mid-career artists, an area of identified need.

Marketing Plan: PACT 2021-2024 sees our brand, and therefore our artists, more visible than ever via both mainstream and social media. In 2020, PACT is employing a new Associate Producer/Marketing Manager to increase our brand awareness and further our reach, taking a more proactive approach to future PACT marketing.

Financial Plan: PACT 2021-2024 sees the organisation diversify its income streams, increase its philanthropy and fundraising, and consolidate its reserves so that it can absorb any future shocks. PACT is back in the black in 2020, having lost federal organisational funding in 2016, and restructured the organisation in 2019. Governance. Throughout 2021-2024, the PACT Board will continue to expand its skill-set, deepen its community linkages and representation, and expand its reach.

Principal activities: GOALS

PACT's Strategic Plan 2020-2024 is driven by the following four goals:

1. ADVENTUROUS ARTISTS:

PACT finds, fosters and champions outstanding emerging artists. We support them to take artistic risks and build their body of work as well as their skills and networks.

2. VIBRANT HUB:

Distinctly of and from Erskineville in the City of Sydney, PACT's iconic warehouse space is a welcoming and inclusive hub where adventurous artists, curious audiences and the local community gather to share transformative creative experiences.

3. STRONG ORGANISATION:

PACT is a strong, resilient, and agile organisation with sound financial foundations - a secure basecamp to sustain adventurous artistic exploration.

4. BOLD REPUTATION:

PACT is highly respected locally, nationally and beyond. PACT has rich partnerships with organisations near and far to empower our artists.

Operating Result: PACT's surplus for 2020 amounted to \$43,910 (2019 deficit: \$14,286). This is a significant and welcome surplus for the organisation. The organisation has weathered major operational shutdowns due to COVID-19 government restrictions and this result will create financial certainty for future years.

Committee Members' Report

PACT Centre for Emerging Artists Incorporated

Committee Members' qualifications and experience

Name and qualifications	Experience and special responsibilities
<p>William Jake Blundell BA, LLB</p>	<p>Between 1988 and 2000, as an actor and director, Jake Blundell performed in, wrote and directed plays with Theatre Songe and Kinetic Energy Theatre Company. Jake has also performed in a number of films and on television, including on GP, A Country Practice, Farscape and All Saints. Jake has written and directed short films, including Little Thief which screened at the St Kilda Film Festival. Between 2012 and 2014, Jake was involved with Belvoir's The Hive philanthropy program, and was a member of The Hive's steering committee.</p> <p>As a solicitor, prior to joining Banki Haddock Fiora, Jake worked in a number of boutique media and entertainment law firms, specialising in defamation and intellectual property. Jake's practice encompasses philanthropic and not-for-profit structuring advice, intellectual property, privacy, contract, and alternative dispute resolution. He has advised clients in the technology, film, television and music industries on reputational, structuring, commercial and contentious issues. Jake has been involved in key IP and defamation litigation including Larrikin Music Publishing v EMI Songs Australia (the "Kookaburra" copyright infringement case), Liu v The Age Company Pty Limited and GM Holden v S.S.S. Auto Parts concerning the untested spare parts defence in the Designs Act.</p>
<p>Callum Close B.Mus (Hons), A.Mus.A, A.Dip.SCSM</p>	<p>Callum's career in the arts spans across roles as fundraiser, administrator, board director and practitioner. Callum is currently Philanthropy Manager (Major Gifts) at the Sydney Symphony Orchestra and prior to this, spent nearly five at Musica Viva Australia in various roles across development, operations and artist development. Callum is an experienced fundraiser, networker, relationship manager, CRM specialist (Tessitura) and has been a consultant to community arts organisations to assist in diversifying contributed revenue streams and building strategy.</p> <p>Resigned 28 April 2020</p>
<p>Nuala Furtado BA MusStudies</p>	<p>Nuala Furtado is a producer and programmer working across contemporary theatre, dance and experimental forms and is currently the Executive Producer/CEO of PACT Centre for Emerging Artists. Graduating in 2009 with a Bachelor of Music Studies in Contemporary Voice & Music Cultural Industry from the Queensland Conservatorium of Music, Nuala worked in various programming roles at the Adelaide Fringe and Brisbane Festival (2010-2014). From 2014 to 2016, Nuala worked as the Associate Producer at Brisbane Powerhouse working across all areas of the program including; Contemporary Theatre, Music, Visual Arts and Writers and Ideas and in September 2015, Nuala participated in the Atelier for Young Festival Managers in Gwangju, South Korea.</p>

Committee Members' Report

PACT Centre for Emerging Artists Incorporated

Committee Members' qualifications and experience

Name and qualifications	Experience and special responsibilities
<p>Nuala Furtado (continued) BA MusStudies</p>	<p>In July 2016, Nuala moved to Sydney to work as Festival Producer of Liveworks at Performance Space and has since produced with Performance Space across two Liveworks festivals (2016 and 2017). In 2017, Nuala worked as a Producer at the Sydney Gay and Lesbian Mardi Gras. Nuala has recently worked as the Associate Producer with Force Majeure, leading the delivery of two major projects as part of Commonwealth Games 2019: FLOCK and Mura Buai (Everyone, Everyone) and with Independent Producer Harley Stumm at Intimate Spectacle to deliver a number of works with acclaimed Australian artists and companies; Post, Branch Nebular, Nick Power and Mish Grigor. In 2020, Nuala participated in the Australia Council for the Arts Future Leaders Program.</p> <p>Executive Producer</p>
<p>Diana Jefferson BA Lib</p>	<p>Dee is an arts journalist and editor with 15 years of experience writing about the arts, specialising in film, theatre and visual art. She is currently Digital Arts Editor for the ABC, managing and editing the arts coverage for ABC News online. Previously she was national arts and culture editor for Time Out Australia, co-host of FBi Radio's weekly film and TV show Short Cuts, and arts editor for The Brag magazine. Pre-journalism, she worked in television and festivals, and founded and managed the Reelife Short Film Festival from 2001-2005. She joined the PACT Board in May 2016.</p>
<p>Tessa Leong Diploma in Language (French) Honours Degree in Bachelor of Creative Arts First Class (Directing) Practicing as a professional artist for over 10 years.</p>	<p>Tessa Leong is the Associate Artistic Director of Griffin Theatre Company and the Manager, Artist and Sector Development at Theatre Network Australia. She works as a theatre director and is a founding member of Adelaide-based theatre company <i>isthisyours?</i>. She was the Associate Artist at Belvoir in 2017, and a studio artist at Griffin Theatre in 2014. Her love of new plays, participatory performance and live art means she's collaborated with artists and companies across Australia, Europe and North America to make theatre, dance, interactive performance and dinners!</p> <p>In 2019, Her work with other collaborating artists on a participatory installation work <i>The Hole</i> was programmed at the Prague Quadrennial and Berlin Performing Arts Festival and her work <i>Swimming Pool</i> with NYT Fairfield was part of the Cementa Festival in Kandos. Tessa was appointed to the board of PACT in 2018 where she brings her working knowledge of the performing arts as a practitioner to the table.</p>
<p>Kate Di Mattina BA, BBA (Accounting)</p>	<p>Kate is currently working as the Head of Operations and Business Management at Sydney Opera House. Kate has enjoyed working in the arts sector in Australia for nine years, largely focusing on financial management, administration, compliance and not for profit reporting requirements. Prior to joining the arts sector Kate worked as an accountant in New Zealand, starting with Deloitte after graduating from Victoria University.</p> <p>Treasurer</p>

Committee Members' Report

PACT Centre for Emerging Artists Incorporated

Committee Members' qualifications and experience

Name and qualifications	Experience and special responsibilities
Emele Ugavule Bachelor of Dramatic Arts (Acting - MT Stream) - NIDA Certificate II in Music Theatre - WAAPA	Emele is a Tokelauan (Te Kaiga o Fagatiale, Nukunonu, Te Kaiga o Koloj, Uea) Fijian (Kaideuba) multi-disciplinary storyteller working across live performance & film as a performer, writer, director & photographer. Her work is intercultural centering the development of trans-indigenous collaborative creative processes & outcomes informed by Indigenous epistemological frameworks.
Caroline Wake BA (Hons) PhD (UNSW) Grad Cert. University Learning and Teaching	Caroline Wake is a writer, researcher, and teacher. She is Senior Lecturer in the School of the Arts and Media at the University of New South Wales. Her research interests and expertise include 20th and 21st-century Australian theatre and performance, arts policy, human rights, and cultural heritage. She is the editor of <i>Performance Paradigm</i> , associate editor of <i>Performance Research</i> and author of over 25 peer-reviewed articles. For over a decade, she served as a reviewer, editor and online producer for <i>RealTime</i> arts magazine; she now writes for <i>The Conversation</i> . Caroline was appointed Chair in January 2019, having joined the Board in March 2017. Resigned 7 June 2021
Samantha Watson-Wood PG Dip. Arts Administration (UNSW), Master of Design and Photomedia (UTS), BA in Media Communications (UTS)	Sam has worked in creative production, event curation and communication in the arts industry for over 15 years with projects spanning Australia, the UK and Europe. Sam specialises in the ideation and delivery of public programs and commissions for small and large scale exhibitions and events, partnership strategy and audience development. She was part of the launch team for Sydney Contemporary in 2013 became the Director of Partnerships, VIP and Programs until 2020. Her current role is the Executive Producer at Performance Space. She was previously Program Director of Art Month Sydney, Marketing manager of Icon Magazine and the award winning festival Clerkenwell Design Week. She is currently a Board member of PACT Sydney.

Contribution in winding up

The association is incorporated under the Associations Incorporation Act 2009. If the association is wound up, the constitution states that each member is required to contribute a maximum of \$25 each towards meeting any outstanding obligations of the association. At 31 December 2020 the collective liability was \$200 (2019: \$175).

Auditor's independence declaration

A copy of the Auditor's Independence Declaration as required under s.60-40 of the Australian Charities and Not-for-profits Commission Act 2012 is included in page 8 of this financial report and forms part of the Committee members' report.

Signed in accordance with a resolution of the Committee members.



KATE DI MATTINA
Treasurer/Committee Member
Sydney

Dated: 1 July 2021



Auditor's Independence Declaration

To the Committee Members of PACT Centre for Emerging Artists Incorporated:

In accordance with the requirements of section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012, as lead auditor for the audit of PACT Centre for Emerging Artists Incorporated for the year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been:

- (a) No contraventions of the auditor independence requirements of the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
- (b) No contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink that reads 'Steven J Miller & Co'.

STEVEN J MILLER & CO
Chartered Accountants

A handwritten signature in black ink that reads 'S J Miller'.

S J MILLER
Registered Company
Auditor No 4286

Sydney

Dated: 1 July 2021

Steven J Miller & Co
Chartered Accountants
18-20 Victoria Street
PO Box 477 Erskineville NSW 2043
Tel (+61 2) 9560 3777
service@stevenjmillers.com.au
www.stevenjmillers.com.au
ABN 23 690 541 177



Liability limited
by a Scheme,
approved under
the Professional
Standards
Legislation

Statement of Surplus or Deficit and Other Comprehensive Income

For the year ended 31 December 2020

PACT Centre for Emerging Artists Incorporated

	Note	2020 \$	2019 \$
Revenue	4	429,501	432,758
Administration expenses		(124,026)	(122,544)
Amortisation expense	9	(100)	(3,300)
Depreciation expense	8	(12,707)	(13,230)
Marketing expenses		(10,572)	(21,414)
Employee benefits expense	12	(232,889)	(268,453)
Program expenses		(5,297)	(18,103)
Surplus/(deficit) before income tax		43,910	(14,286)
Income tax expense	3.7	-	-
Surplus/(deficit) for the year		43,910	(14,286)
Other comprehensive income for the year, net of income tax		-	-
Total comprehensive income/(loss) for the year		43,910	(14,286)

This statement should be read in conjunction with the notes to the financial statements.

Statement of Financial Position

As at 31 December 2020

PACT Centre for Emerging Artists Incorporated

	Note	2020 \$	2019 \$
ASSETS			
Current			
Cash and cash equivalents	5	458,457	268,851
Trade and other receivables	6	18,635	10,603
Other assets	7	7,384	6,373
Current assets		484,476	285,827
Non-current			
Property, plant and equipment	8	17,235	19,767
Intangible assets	9	-	100
Non-current assets		17,235	19,867
Total assets		501,711	305,694
LIABILITIES			
Current			
Trade and other payables	10	21,939	26,974
Other liabilities	11	1,656	5,900
Employee provisions	12.2	8,343	4,916
Grants liabilities	13	165,459	7,500
Total liabilities		197,397	45,290
Net assets		304,314	260,404
EQUITY			
General funds - restricted		-	99,000
General funds - unrestricted		300,482	157,572
Designated reserves - unrestricted		3,832	3,832
Total equity		304,314	260,404

This statement should be read in conjunction with the notes to the financial statements.

Statement of Changes in Equity

For the year ended 31 December 2020

PACT Centre for Emerging Artists Incorporated

	Note	Other funds \$	Create NSW Multi-year Program Funding Reserve \$	Unrestricted funds \$	Total equity \$
Balance at 1 January 2019		3,832	-	171,858	175,690
Adjustments on application of: AASB 15 and AASB 1058	2.1/4.4	-	-	99,000	99,000
Adjusted balance at 1 January 2019		3,832	-	270,858	274,690
Deficit for the year		-	-	(14,286)	(14,286)
Other comprehensive income		-	-	-	-
Total comprehensive loss for the year		-	-	(14,826)	(14,826)
Transfer to/(from) reserves	4.1.1	-	99,000	(99,000)	-
Balance at 31 December 2019		3,832	99,000	157,572	260,404
Balance at 1 January 2020		3,832	99,000	157,572	260,404
Surplus for the year		-	-	43,910	43,910
Other comprehensive income		-	-	-	-
Total comprehensive loss for the year		-	-	-	-
Transfer to/(from) reserves	4.1.1	-	(99,000)	99,000	-
Balance at 31 December 2020		3,832	-	300,482	304,314

This statement should be read in conjunction with the notes to the financial statements.

Statement of Cash Flows

For the year ended 31 December 2020

PACT Centre for Emerging Artists Incorporated

	Note	2020 \$	2019 \$
Operating activities			
Receipts from:			
• Customers		23,133	118,967
• Donors		106,087	4,793
• Government grants		269,500	201,080
• COVID-19 JobKeeper Subsidy		31,800	-
• COVID-19 Cash flow boost		35,764	-
• Interest income		378	1,629
Payments to clients, suppliers and employees		(266,881)	(408,496)
Net cash provided by/(used in) operating activities		199,781	(82,027)
Investing activities			
Purchases of property, plant and equipment	8	(10,175)	(199)
Net cash used in investing activities		(10,175)	(199)
Net change in cash and cash equivalents		189,606	(82,226)
Cash and cash equivalents, beginning of year		268,851	351,077
Cash and cash equivalents, end of year	5	458,457	268,851

This statement should be read in conjunction with the notes to the financial statements.

Notes to the Financial Statements

For the year ended 31 December 2020

PACT Centre for Emerging Artists Incorporated

1 General information and statement of compliance

The financial report includes the financial statements and notes of PACT Centre for Emerging Artists (PACT) Incorporated.

The association is incorporated in New South Wales under the Associations Incorporation Act 2009 and is registered with the Australian Charities and Not-for-profits Commission. These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the Australian Charities and Not-for-profits Commission Act 2012.

PACT is a not-for-profit entity for the purpose of preparing the financial statements. The financial statements for the year ended 31 December 2020 were approved and authorised for issuance by the Committee.

2 New and revised Standards or Interpretations

2.1 AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities

These Standards supersede all the income recognition requirements relating to private sector Not-for-Profit (NFP) entities and the majority of income recognition requirements relating to public sector NFP entities (previously in AASB 1004 Contributions). The new Standards have been applied as at 1 January 2019 using the modified retrospective approach. Under this method, the cumulative effect of initial application is recognised as an adjustment to the opening balance of retained earnings at 1 January 2019, and comparatives are not restated. In accordance with the transition guidance, the new Standards have only been applied to contracts that are incomplete as at 1 January 2019.

On the date of initial application of AASB 15 and AASB 1058 on 1 January 2019, the impact to retained earnings of the company was as follows.

Impacted area	Note	Retained earnings \$	Total equity \$
Grants that didn't have 'sufficiently specific' performance obligations		99,000	99,000
Total	4.4	99,000	99,000

2.1 AASB 16 Leases

AASB 16 'Leases' replaces AASB 117 'Leases' along with three Interpretations (AASB Interpretation 4 'Determining whether an Arrangement contains a Lease', INT 115 'Operating Leases-Incentives' and INT 127 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease').

Adoption of the Standard has not had a material impact on the association, as the full amount of the annual rent is subsidised under the lease by the lessor, thereby reducing the cost of the Right-of-Use asset down to nil. Since AASB 16 allows for the Right-of-Use asset to be recognised at cost, the association has not recognised any Right-of-Use asset or Lease Liability.

3 Summary of accounting policies

3.1 Overall considerations

The significant accounting policies that have been used in the preparation of these financial statements are summarised below.

The financial statements have been prepared using the measurement bases specified by Australian Accounting Standards for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below.

Notes to the Financial Statements

For the year ended 31 December 2020

PACT Centre for Emerging Artists Incorporated

3 Summary of accounting policies continued

3.2 Revenue

Revenue comprises revenue from the sale of goods, services income, government grants, fundraising activities and client contributions. Revenue from major activities and services is shown in Note 4.

To determine whether to recognise revenue, the Group follows a 5-step process:

- 1 Identifying the contract with a customer
- 2 Identifying the performance obligations
- 3 Determining the transaction price
- 4 Allocating the transaction price to the performance obligations
- 5 Recognising revenue when/as performance obligation(s) are satisfied.

The association often enters into transactions involving a range of the association's services. In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

Revenue is recognised either at a point in time or over time, when (or as) the association satisfies the performance obligations by transferring the promised goods or services to its customers.

For performance obligations satisfied over time, the 'inputs method' is used as it provides a reliable measure of how much work has already been performed and how much remains. The association recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as grant and other liabilities in the statement of financial position. Similarly, if the association satisfies a performance obligation before it receives the consideration, the association recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

Revenue is measured by reference to the fair value of consideration received or receivable by the association for goods supplied and services provided, excluding sales taxes, rebates, and trade discounts.

Revenue is recognised when the amount of revenue can be measured reliably, collection is probable, the costs incurred or to be incurred can be measured reliably, and when the criteria for each of the association's different activities have been met. Details of the activity-specific recognition criteria are described below.

Sale of goods

Revenue from the sale of goods comprises revenue earned from the sale of goods donated and purchased for resale. Sales revenue is recognised when the control of goods passes to the customer.

Government grants

A number of the association's programs are supported by grants received from the Federal, State and Local governments. If conditions are attached to a grant which must be satisfied before the association is eligible to receive the contribution, recognition of the grant as revenue is deferred until those conditions are satisfied.

Where a grant is received on the condition that specified services are delivered, to the grantor, this is considered a reciprocal transaction. Revenue is recognised as services are performed and at year-end until the service is delivered.

Revenue from a non-reciprocal grant that is not subject to conditions is recognised when the association obtains control of the funds, economic benefits are probable, and the amount can be measured reliably. Where a grant may be required to be repaid if certain conditions are not satisfied, a liability is recognised at year end to the extent that conditions remain unsatisfied.

Notes to the Financial Statements

For the year ended 31 December 2020
PACT Centre for Emerging Artists Incorporated

3 Summary of accounting policies continued

3.2 Revenue continued

Where the association receives a non-reciprocal contribution of an asset from a government or other party for no or nominal consideration, the asset is recognised at fair value and a corresponding amount of revenue is recognised.

Donations and bequests

Donations collected, including cash and goods for resale, are recognised as revenue when the association gains control, economic benefits are probable, and the amount of the donation can be measured reliably. Bequests are recognised when the legacy is received. Revenue from legacies comprising bequests of shares or other property are recognised at fair value, being the market value of the shares or property at the date the association becomes legally entitled to the shares or property.

Interest income

Interest income is recognised on an accrual basis using the effective interest method.

3.3 Operating expenses

Operating expenses are recognised in surplus or deficit upon utilisation of the service or at the date of their origin.

3.4 Intangible assets

Acquired intangible assets

Website construction costs are capitalised on the basis of the costs incurred to acquire and install the specific website.

Subsequent measurement

All intangible assets are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives, as these assets are considered finite. Residual values and useful lives are reviewed at each reporting date. In addition, they are subject to impairment testing as described in Note 3.15. The following useful lives are applied:

- Website and Brand 33% pa

Subsequent expenditures on the maintenance of computer software, brand names and website are expensed as incurred. When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset and is recognised in surplus or deficit within other income or other expenses.

3.5 Property, plant and equipment

Leasehold improvements, plant and other equipment

Leasehold improvements, plant and other equipment (comprising office and theatre equipment) are initially recognised at acquisition cost or manufacturing cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the association's Management.

Leasehold improvements, plant and other equipment are subsequently measured using the cost model, cost less subsequent depreciation and impairment losses.

Depreciation is recognised on a straight-line basis to write down the cost less estimated residual value of leasehold improvements, plant and other equipment. The following useful lives are applied:

- Office equipment 20% - 33% pa
- Theatre equipment 20% - 33% pa
- Leasehold improvements Term of the lease

Notes to the Financial Statements

For the year ended 31 December 2020
PACT Centre for Emerging Artists Incorporated

3 Summary of accounting policies continued

3.5 Property, plant and equipment continued

In the case of leasehold property, expected useful lives are determined by reference to comparable owned assets or over the term of the lease, if shorter.

Material residual value estimates and estimates of useful life are updated as required, but at least annually.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in surplus or deficit within other income or other expenses.

3.6 Leases

Operating leases

As noted in note 2.2, the cost incurred to obtain the right-of-use asset is nil, and therefore no right-of-use asset or lease liability has been recognised in the statement of financial position.

3.6 Leases continued

The annual subsidy is recognised as revenue and rental expenditure is recognised as expenditure in the statement of surplus or deficit and other comprehensive income.

Operating leases – Measurement Basis for Comparatives

Where the company is a lessee, and payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

3.7 Income taxes

No provision for income tax has been raised as the association is exempt from income tax under Div 50 of the Income Tax Assessment Act 1997.

3.8 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

3.9 Employee benefits

Short-term employee benefits

Short-term employee benefits are benefits, other than termination benefits, that are expected to be settled wholly within twelve (12) months after the end of the period in which the employees render the related service. Examples of such benefits include wages and salaries, non-monetary benefits and accumulating sick leave. Short-term employee benefits are measured at the undiscounted amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The association's liabilities for long service leave are included in other long-term benefits as they are not expected to be settled wholly within twelve (12) months after the end of the period in which the employees render the related service. They are measured at the present value of the expected future payments to be made to employees. The expected future payments incorporate anticipated future wage and salary levels, experience of employee departures and periods of service, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the timing of the estimated future cash outflows. Any re-measurements arising from experience adjustments and changes in assumptions are recognised in profit or loss in the periods in which the changes occur.

Notes to the Financial Statements

For the year ended 31 December 2020
PACT Centre for Emerging Artists Incorporated

3 Summary of accounting policies continued

3.9 Employee benefits continued

The association presents employee benefit obligations as current liabilities in the statement of financial position if the association does not have an unconditional right to defer settlement for at least twelve (12) months after the reporting period, irrespective of when the actual settlement is expected to take place.

Post-employment benefits plans

The association provides post-employment benefits through defined contribution plans.

Defined contribution plans

The association pays fixed contributions into independent entities in relation to several state plans and insurance for individual employees. The association has no legal or constructive obligations to pay contributions in addition to its fixed contributions, which are recognised as an expense in the period that relevant employee services are received.

3.10 Provisions, contingent liabilities and contingent assets

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the association can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognised if an outflow of economic resources as a result of present obligation is not probable. Such situations are disclosed as contingent liabilities, unless the outflow of resources is remote in which case no liability is recognised.

3.11 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 twelve (12) months of receipt of the grant. Where the amount received is in respect of services to be provided over a period that exceeds twelve (12) months after the reporting date or the conditions will only be satisfied more than twelve (12) months after the reporting date, the liability is discounted and presented as non-current.

3.12 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 these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST components of investing and financing activities, which are disclosed as operating cash flows.

3.13 Economic dependence

The association is dependent upon the ongoing receipt of Federal and State Government grants, performance and venue hire income and community and corporate donations to ensure the ongoing continuance of its programs and fundraising.

Notes to the Financial Statements

For the year ended 31 December 2020
PACT Centre for Emerging Artists Incorporated

3 Summary of accounting policies continued

3.5 Economic dependence continued

At the date of this report, Management has no reason to believe that financial support of this kind will not continue to a degree sufficient to support the association's ongoing operations. The impacts, if any, referred to in Note 18 should also be considered in relation to the association's financial position.

3.14 Financial instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the association becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through surplus or deficit, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- Amortised cost.
- Fair value through profit or loss (FVPL).
- Equity instruments at fair value through other comprehensive income (FVOCI).

All income and expenses relating to financial assets that are recognised in the statement of surplus or deficit are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Classifications are determined by both:

- The entity's business model for managing the financial asset.
- The contractual cash flow characteristics of the financial assets.

All income and expenses relating to financial assets that are recognised in surplus or deficit are presented within finance costs, finance income or other financial items, except for impairment of trade receivables, which is presented within other expenses.

Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- They are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- The contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Notes to the Financial Statements

For the year ended 31 December 2020

PACT Centre for Emerging Artists Incorporated

3 Summary of accounting policies continued

3.14 Financial instruments continued

The association's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments as well as long-term deposit that were previously classified as held-to-maturity under AASB 139.

Financial assets at fair value through profit or loss (FVPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply (see below).

Equity instruments at fair value through other comprehensive income (Equity FVOCI)

Investments in equity instruments that are not held for trading are eligible for an irrevocable election at inception to be measured at FVOCI. Under Equity FVOCI, subsequent movements in fair value are recognised in other comprehensive income and are never reclassified to surplus or deficit. Dividend from these investments continue to be recorded as other income within the surplus or deficit unless the dividend clearly represents return of capital.

Subsequent measurement of financial assets continued

Impairment of Financial assets

AASB 9's impairment requirements use more forward-looking information to recognise expected credit losses - the 'expected credit losses (ECL) model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

FVOCI, trade receivables and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

The association considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- Financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- Financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade and other receivables

The association makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the association uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

Notes to the Financial Statements

For the year ended 31 December 2020

PACT Centre for Emerging Artists Incorporated

3 Summary of accounting policies continued

3.14 Financial instruments continued

The association assess impairment of trade receivables on a collective basis as they possess credit risk characteristics based on the days past due. The association allows 1% for amounts that are 30 to 60 days past due, 1.5% for amounts that are between 60 and 90 days past due and writes off fully any amounts that are more than 90 days past due.

Classification and measurement of financial liabilities

As the accounting for financial liabilities remains largely unchanged from AASB 139, the association's financial liabilities were not impacted by the adoption of AASB 9. However, for completeness, the accounting policy is disclosed below.

The association's financial liabilities include borrowings and trade and other payables. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the association designated a financial liability at fair value through surplus or deficit.

Classification and measurement of financial liabilities continued

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in surplus or deficit (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in surplus or deficit are included within finance costs or finance income.

3.15 Significant management judgement in applying accounting policies

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Impairment

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain assets.

Long service leave

The liability for long service leave is recognised and measured at the present value of the estimated cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the association based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the company operates.

Notes to the Financial Statements

For the year ended 31 December 2020

PACT Centre for Emerging Artists Incorporated

3 Summary of accounting policies continued

3.15 Significant management judgement in applying accounting policies continued

Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the association unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

4 Revenue

The association's revenue may be analysed as follows for each major product and service category:

	Note	2020 \$	2019 \$
Revenue			
Donations		106,087	4,793
Management fees - projects		-	5,940
Membership fees received		182	159
Net grant income	4.1	221,464	326,008
Net bar sales		1,701	14,947
Performance income		1,652	23,938
Program participant fees		-	5,473
Contract income		-	7,000
Equipment hire		250	91
Venue hire and technical support		14,473	41,261
Investment Interest income		378	1,629
		346,187	431,239
Other Income			
Sundry income		-	1,519
COVID-19 Government Initiatives:			
Cash Flow boost		35,764	-
JobKeeper Subsidy		47,550	-
		83,314	-
Total revenue and other income		429,501	432,758

Notes to the Financial Statements

For the year ended 31 December 2020
PACT Centre for Emerging Artists Incorporated

4 Revenue continued

4.1 Net grant income

	Note	2020 \$	2019 \$
Grants received in advance - 1 January	4.2	-	99,000
Unexpended grants - 1 January	4.3	-	53,832
Adjustment to retained earnings on application of AASB 15 and AASB 1058	2.1/4.4	-	(99,000)
		-	53,832
Add:			
Grants received during the year	4.5	337,057	272,176
		337,057	272,176
Less:			
Grants received in advance - 31 December	4.6	(13,000)	-
Unexpended grants - 31 December	4.7	(102,593)	-
		(115,593)	-
Net grant income	4.1.1	221,464	326,008

4.1.1 Reconciliation of net grant revenue

	Note	2020 \$	2019 \$
Unrestricted grant revenue		221,464	227,008
Restricted grant revenue		-	99,000
	4.1	221,464	326,008

4.2 Grants received in advance - 1 January

	Note	2020 \$	2019 \$
Create NSW - Annual Program		-	99,000
		-	99,000

4.3 Unexpended grants - 1 January

	Note	2020 \$	2019 \$
Australia Council for the Arts - Residencies		-	50,000
City of Sydney Cultural Grant - Salon		-	3,832
		-	53,832

Notes to the Financial Statements

For the year ended 31 December 2020
PACT Centre for Emerging Artists Incorporated

4 Revenue continued

4.4 Adjustment to retained earnings on application of AASB 15 and AASB 1058

	Note	2020 \$	2019 \$
Create NSW - Annual Program		-	99,000
		-	99,000

4.5 Grants received during the year

	Note	2020 \$	2019 \$
Australia Council for the Arts - Generations		-	48,800
Australia Council for the Arts - Arts Projects for Organisations		100,000	-
Australia Council for the Arts - Extra Extra		12,000	-
Create NSW - Annual Program		-	99,000
Create NSW - Artist Residency Program		70,000	-
City of Sydney Cultural Grant - Salon		-	20,000
City of Sydney - atPACT		-	5,000
City of Sydney - PACT House		10,000	-
City of Sydney - Freefall		-	10,000
City of Sydney - HyperLocal		13,000	-
City of Sydney - Rental subsidy		92,057	89,376
City of Sydney - Assistance due to Venue shutdown from COVID-19		20,000	-
NSW Building and Community Partnerships		20,000	-
		337,057	272,176

4.6 Grants received in advance - 31 December

	Note	2020 \$	2019 \$
City of Sydney - HyperLocal		13,000	-
		13,000	-

4.7 Unexpended grants - 31 December

	Note	2020 \$	2019 \$
Australia Council for the Arts - Arts Projects for Organisations		88,000	-
City of Sydney - PACT House		6,055	-
NSW Building and Community Partnerships		8,538	-
		102,593	-

Notes to the Financial Statements

For the year ended 31 December 2020
PACT Centre for Emerging Artists Incorporated

5 Cash and cash equivalents

Cash and cash equivalents consist of the following:

	Note	2020 \$	2019 \$
Cash on hand		1,471	1,076
Cash at bank		456,986	267,775
	5.1	458,457	268,851

5.1 Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled in the statement of financial position as follows:

	Note	2020 \$	2019 \$
Cash and cash equivalents		458,457	268,851

6 Trade and other receivables

Trade and other receivables consist of the following:

	Note	2020 \$	2019 \$
Current			
Trade receivables		18,635	10,603
		18,635	10,603

7 Other Assets

Other assets consist of the following:

	Note	2020 \$	2019 \$
Current			
Prepayments		7,384	6,373
		7,384	6,373

Notes to the Financial Statements

For the year ended 31 December 2020

PACT Centre for Emerging Artists Incorporated

8 Property, plant and equipment

Details of the association's plant and equipment and their carrying amounts are as follows:

	Leasehold improvements \$	Office equipment \$	Theatre equipment \$	Grant- funded equipment \$	Grant- funded capital works \$	Total \$
Gross carrying amount						
Balance 1 January	214,577	28,376	19,488	3,681	40,393	306,515
Additions	-	358	9,817	-	-	10,175
Balance 31 December	214,577	28,734	29,305	3,681	40,393	316,690
Depreciation and impairment						
Balance 1 January	(214,577)	(25,936)	(19,440)	(1,977)	(24,818)	(286,748)
Depreciation	-	(1,042)	(595)	(725)	(10,345)	(12,707)
Balance 31 December	(214,577)	(26,978)	(20,035)	(2,702)	(35,163)	(299,455)
Carrying amount 31 December 2020	-	1,756	9,270	979	5,230	17,235
Gross carrying amount						
Balance 1 January	214,577	28,177	19,488	3,681	40,393	306,316
Additions	-	199	-	-	-	199
Balance 31 December	214,577	28,376	19,488	3,681	40,393	306,515
Depreciation and impairment						
Balance 1 January	(214,577)	(24,520)	(18,721)	(1,199)	(14,501)	(273,518)
Depreciation	-	(1,416)	(719)	(778)	(10,317)	(13,230)
Balance 31 December	(214,577)	(25,936)	(19,440)	(1,977)	(24,818)	(286,748)
Carrying amount 31 December 2019	-	2,440	48	1,704	15,575	19,767

Notes to the Financial Statements

For the year ended 31 December 2020
PACT Centre for Emerging Artists Incorporated

9 Intangible assets

Details of the association's intangible assets and their carrying amounts are as follows:

	2020 \$	2019 \$
Website and Branding		
Gross carrying amount		
Balance at 1 January	13,472	13,472
Additions	-	-
Balance at 31 December	13,472	13,472
Amortisation and impairment		
Balance at 1 January	(13,372)	(10,072)
Amortisation	(100)	(3,300)
Balance at 31 December	(13,472)	(13,372)
Carrying amount 31 December	-	100

10 Trade and other payables

Trade and other payables recognised consist of the following:

	Note	2020 \$	2019 \$
Current:			
Other creditors and accruals		16,987	12,289
Net GST payable		1,422	11,798
Trade payables		3,530	2,887
		21,939	26,974

11 Other liabilities

Other liabilities can be summarised as follows:

	Note	2020 \$	2019 \$
Current:			
Income received in advance		1,656	5,900
		1,656	5,900

Notes to the Financial Statements

For the year ended 31 December 2020
PACT Centre for Emerging Artists Incorporated

12 Employee remuneration

12.1 Employee benefits expense

Expenses recognised for employee benefits are analysed below:

	Note	2020 \$	2019 \$
Employee benefits provided/(written back)		3,427	(1,988)
Superannuation contributions		13,851	14,590
Wages and salaries		211,316	249,901
Workers compensation insurance		2,995	4,083
Other employee related expenses		1,300	1,867
Employee benefits expense		232,889	268,453

12.2 Employee provisions

The liabilities recognised for employee benefits consist of the following amounts:

	Note	2020 \$	2019 \$
Current			
Annual leave		8,343	3,895
Long service leave		-	1,021
		8,343	4,916

13 Grants liabilities

Grants liabilities can be summarised as follows:

	Note	2020 \$	2019 \$
Grants in advance	4.6	102,593	-
Unexpended grants	4.7	13,000	-
Auspiced grant liabilities		49,866	7,500
		165,459	7,500

Notes to the Financial Statements

For the year ended 31 December 2020
PACT Centre for Emerging Artists Incorporated

14 Financial risk management

14.1 Categories of financial assets and liabilities

The carrying amounts presented in the statement of financial position relate to the following categories of assets and liabilities:

	Note	2020 \$	2019 \$
Financial assets			
<i>Financial assets measured at amortised cost</i>			
• Cash and cash equivalents	5	458,457	268,851
• Trade and other receivables	6	18,635	10,603
		477,092	279,454
Financial liabilities			
<i>Financial liabilities measured at amortised cost</i>			
• Trade and other payables	10	21,937	26,974
		21,937	26,974

15 Leases

Operating leases as lessee

The association currently receives a rent subsidy from The City of Sydney for 100% of its rental expenses. This agreement is in place until 30 June 2021. As a result, PACT has no commitments in relation to lease expenditure in the near future. The value of the subsidy for 2020 was \$92,057, (2019: 89,376).

16 Related party transactions

The association's related parties include its key management personnel and related entities as described below.

Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

16.1 Transactions with key management personnel

Key management personnel remuneration includes the following expenses:

	2020 \$	2019 \$
Total key management personnel remuneration	82,166	82,231

16.2 Transactions with related entities

The committee members act in an honorary capacity and receive no compensation for their services. Where services have been provided by a committee member, these services were provided on a pro-bono basis and no remuneration was received.

Notes to the Financial Statements

For the year ended 31 December 2020
PACT Centre for Emerging Artists Incorporated

17 Contingent liabilities

There are no contingent liabilities that have been incurred by the association in relation to 2020 or 2019.

18 Post-reporting date events

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has been financially positive for the association up to 31 December 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the association's state of affairs in future financial years.

19 Member's guarantee

The association is incorporated under the Associations Incorporation Act 2009. If the association is wound up, the constitution states that each member is required to contribute a maximum \$25 each towards meeting any outstanding obligations of the association. At 31 December 2020, the total amount that members of the association are liable to contribute if the association wound up is \$200 (2019: \$175).

20 Charitable fundraising

The association holds an authority to fundraise under the Charitable Fundraising Act, 1991 NSW. During the 2020 financial year, the association did not conduct any Charitable Fundraising, nor were there any circumstances where the donor may have believed that the donation would be applied to a charitable purpose (as defined in the Charitable Fundraising Act 1991 NSW).

Committee Members' Declaration

PACT Centre for Emerging Artists Incorporated

In the opinion of the Committee members of PACT Centre for Emerging Artists Incorporated:

- (a) The financial statements and notes of PACT Centre for Emerging Artists Incorporated are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and the Incorporated Associations Act 2009, including;
 - (i) Giving a true and fair view of its financial position as at 31 December 2020 and of its performance for the financial year ended on that date; and
 - (ii) Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Australian Charities and Not-for-profits Commission Regulation 2012 and the Associations Incorporation Act 2009; and
- (b) There are reasonable grounds to believe that PACT Centre for Emerging Artists Incorporated will be able to pay its debts as and when they become due and payable (Refer Notes 3.13 and 18).

Declaration by Committee Member as required by the Charitable Fundraising Act 1991 (NSW)

- a) the accounts for the year ended 31 December 2020, give a true and fair view of all income and expenditure of PACT Centre for Emerging Artists Incorporated with respect to fundraising appeals; and
- b) the statement of financial position as at 31 December 2020 gives a true and fair view of the state of affairs with respect to fundraising appeals; and
- c) the provisions of the Charitable Fundraising Act 1991 (NSW) and the regulations under that Act and the conditions attached to the authority have been complied with; and
- d) the internal controls exercised by PACT Centre for Emerging Artists Incorporated are appropriate and effective in accounting for all income received and applied from any of its fundraising appeals.

Signed in accordance with a resolution of the Committee members.



KATE DI MATTINA
Treasurer/Committee Member
Sydney

Dated 1 July 2020



Independent Auditor's Report

To the members of
PACT Centre for Emerging Artists Incorporated

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of PACT Centre for Emerging Artists Incorporated, which comprises the statement of financial position as at 31 December 2020, the statement of surplus or deficit and other comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Committee members' declaration.

In my opinion the financial report of PACT Centre for Emerging Artists Incorporated has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and the *Incorporated Associations Act 2009*, including:

- (a) Giving a true and fair view of the association's financial position as at 31 December 2020 and of its financial performance and cash flows for the year then ended; and
- (b) Complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the registered entity in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other Information

Those charged with governance are responsible for the other information. The other information comprises the information included in the registered entity's annual report for the year ended 31 December 2020, but does not include the financial report and my auditor's report.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Steven J Miller & Co
Chartered Accountants
18-20 Victoria Street
PO Box 477 Erskineville NSW 2043
Tel (+61 2) 9560 3777
service@stevenjmiller.com.au
www.stevenjmiller.com.au
ABN 23 690 541 177



Independent Auditor's Report

To the members of
PACT Centre for Emerging Artists Incorporated

Committee members' Responsibility for the Financial Report

The Committee members of the registered entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the ACNC Act, and for such internal control as the Committee members determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the committee members are responsible for assessing the registered entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the committee members either intends to liquidate the registered entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the registered entity's financial reporting process.

Auditor's Responsibility for Audit of the Financial Report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the registered entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by committee members.
- Conclude on the appropriateness of the committee members' 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 entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. My 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 entity to cease to continue as a going concern.

Independent Auditor's Report

To the members of
PACT Centre for Emerging Artists Incorporated

Auditor's Responsibility for Audit of the Financial Report continued

- 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.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



STEVEN J MILLER & CO
Chartered Accountants



S J MILLER
Registered Company
Auditor No 4286

Sydney

Dated: 1 July 2021