

CULTURAL DEVELOPMENT NETWORK INCORPORATED

ABN 57 399 480 298



Launch of Vic Health *LEAP Project* - Central Highlands Arts Network (CHAN)
Learmonth, City of Ballarat, 2010

FINANCIAL REPORT FOR THE YEAR ENDED 31st DECEMBER 2010

CULTURAL DEVELOPMENT NETWORK INCORPORATED

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CULTURAL DEVELOPMENT NETWORK INCORPORATED

COMMITTEE'S REPORT

Your committee members present this report of Cultural Development Network Incorporated for the financial year ended 31st December 2010.

COMMITTEE MEMBERS

The names of committee members in office at any time during or since the end of the year are:

Sue Beal, Chair

Paul Holton, Treasurer

Angela Bailey, Deputy Chair

Hanut Singh Dodd

Helen Baker (Resigned February 2010)

Dr Nicholas Hill

Nalika Peiris (Appointed May 2010)

Principal Activities

Cultural Development Network Incorporated is an incorporated association subject to the provisions of the *Associations Incorporation Act 1981*, Victoria. It is exempt from Income Tax as a Charitable Institution. The Association's principle activity is to function (principally in Victoria) as a voice for community based arts and cultural development interests. Cultural Development Network Incorporated works towards a society in which local communities in all their diversity, have the resources and support they need to make and express their own culture.

There are two main not for profit business operations of the Association.

Firstly, is to run conferences, forums, roundtables and publications where individual practitioners, producers, managers, professionals and academics are able to present their ideas. The objective is to enable a diverse range of voices to feed into public policies that impact on the cultural life of communities.

Secondly, is to initiate and manage projects that provide research data and opportunities to demonstrate the principles of cultural development through community arts based activities.

Operating Results

The net result of the Cultural Development Network Inc. for the period of operation ending on 31 December 2010 was a surplus of \$4,414 (2009 \$4,401.68 Surplus).

Review of Operations -

The Board produces a detail report of operations in May of each year as an Annual Report. In summary, the Cultural Development Network commenced planning on two significant initiatives in 2010.

Firstly, was the partnership with the International Federation of Arts Councils and Cultural Agencies (IFACCA) to include a focus on local government and arts policy within the 5th World Summit in 2011, in Melbourne. This is a significant advocacy activity as it will be the first-time the international body for arts policy meets with the international body on local government on the subject of integrating national and local arts and cultural policy.

CULTURAL DEVELOPMENT NETWORK INCORPORATED

COMMITTEE'S REPORT Continued

The second key strategic initiative was to work with Central Goldfields Shire, in Victoria, to develop a three-year plan for 'cultural change' that will be based on the Shire's arts, education and sports communities infrastructure in a new model of public policy on culture within the Council plan.

Both these initiatives were developed alongside the core networking and public program operations.

Contractual Arrangements

The 2010 year was the second of triennial funding from Arts Victoria and the Australia Council for the Arts. Funding contracts renewed in 2010 were the second year of LEAP Project funding from VicHealth and ongoing annual funding from the City of Melbourne.

After Balance Date Events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of Cultural Development Network Inc., the results of those operations, or the state of affairs of Cultural Development Network Inc. in future financial years.

Significant Changes

There are no significant changes to the management and operation of the Cultural Development Network Inc.

Environmental Issues

The operations of the Cultural Development Network Inc. are not subject to particular or significant environmental regulations under a Commonwealth, State or Territory Law.

MEETINGS OF COMMITTEE MEMBERS

The number of meetings of the committee members and of each Committee Member held during the year ended 31 December 2010 and the numbers of meetings attended by each member were:

COMMITTEE MEMBERS	Committee Members' Meetings	
	Number eligible to attend	Number Attended
Sue Beal, Chair	4	4
Paul Holton, Treasurer	4	3
Angela Bailey, Deputy Chair	4	4
Hanut Singh Dodd	4	4
Helen Baker	1	1
Dr Nicholas Hill	4	3
Nalika Peiris	2	2

CULTURAL DEVELOPMENT NETWORK INCORPORATED

Information on Committee Members

Name	Experience
Sue Beal	<p>Chair (appointed May 2000)</p> <p>Sue is the Manager of Cultural Venues with the City of Melbourne and is responsible for the Arts House program, North Melbourne Town Hall and the newly developed Meat Market. Sue has a long and distinguished record in the arts and local government sectors. She has been a national organiser for Actors Equity; member of the Australia Council's Theatre Board; Australian representative for Cirque Du Soleil and General Manager of Sidetrack Theatre. She has Chaired our Board (originally an informal Committee) since its inception.</p>
Paul Holton	<p>Treasurer, (appointed May 2000)</p> <p>Paul is General Manager Development at Wellington Shire Council. His role encompasses strategic management of Land Use Planning, Economic Development and Municipal Services across the Wellington Shire. He has worked in Local Government for over 20 years in areas such as arts facilities administration, cultural development, leisure facilities and events management. Paul was part of the team that initiated the highly successful Wangaratta Festival of Jazz. He is a former member of the Australia Council's Community Cultural Development Board.</p>
Angela Bailey	<p>Deputy Chair, (appointed May 2006)</p> <p>Angela is a photographic artist with diverse experience in community-based work, including projects with housing estate tenants, textile workers, older adults, young people, asylum seekers and women prisoners. Her current and recent activities include Artist in Residency at Carlton Public Housing Estate, City of Melbourne, Photographic Coordinator Feltex Workers Exhibition – Textile Clothing and Footwear Union of Australia, Curator of Legends, Places and Faces exhibition at the Incinerator Arts Complex, Moonee Ponds to coincide with the 2006 Melbourne Commonwealth Games. Angela has lectured and tutored in Photography at Monash University, Gippsland and Melbourne University, and has work in collections including the National Gallery of Australia, Queensland Art Gallery and State Library of Victoria. Her qualifications include Post-Grad Dip Fine Art-Photography, VCA, Assoc Dip Photography, Queensland College of Art, Bach Communication, QUT, Creative Arts Programming and Events Management, Arts Access. In 2005, Angela received an Australia Council CCD Skills and Professional Development award for to travel to the United Kingdom. In addition to her role on the CDN Board, Angela is also a Life Member of Midsumma Festival Board and Brisbane Lesbian and Gay Pride Festival.</p>
Helen Baker	<p>Secretary (appointed May 2007), Resigned August 2011</p> <p>Helen has a background in arts administration, strategic planning and project management; primarily within the local government sector. Her experience ranges from hands on project management of public art commissions, community based arts programs and art and heritage collections through to strategic planning for the arts and cultural sector within a political environment. A stint in London included work in a research centre at the Royal College of Art and Victoria and Albert Museum and at the award winning Hackney Museum in the east end. In 2007-2008, Helen was the Manager of the Cultural and Library Services branch at the City of Yarra which includes Arts and Cultural Services, Civic Facilities and the Yarra Libraries. Helen currently works in the multimedia sector providing a range of media programs to international museums, zoos, aquariums and other cultural institutions.</p>

CULTURAL DEVELOPMENT NETWORK INCORPORATED

Information on Committee Members Continued

Name	Experience
Hanut Singh Dodd	(appointed May 2006) Hanut is a highly experienced cultural, heritage and tourism manager with skills in specialised areas such as museum management, cultural and environmental tourism, event management, exhibition development, public program management, architectural conservation, moveable cultural heritage and collection management. Hanut has more than ten years experience working as a freelance curator and architectural conservator and has also worked for the NSW National Parks and Wildlife Service as Area Manager at the Hill End Historic Site, as Director of the National Wool Museum and for councils in Victoria including Cities of Melbourne, Port Phillip and Hume. Hanut is currently working as a Project Manager with the Alpine Resorts Coordinating Council.
Dr Nicholas Hill	(appointed December 2007) Nick Hill is Lecturer, Arts Management and Media and Communications at the University of Melbourne. His qualifications include BA (Hons); PG DipM and MA. He has recently completed his PhD at South Bank University, England, on – “The Folk and the People: Patronage and Promotion in the Tamasha of Maharashtra”. Previously he worked at South Bank University as Senior Lecturer in Arts Marketing and Course Director (Services Management program). His research interests include Arts & Patronage, South Asian Performing Arts (Folk – Popular – Traditional), Performing Arts Hybrids, Arts Marketing and Communications, Instrumental and Intrinsic Arts Benefits, Arts Ethnography, The lived experience and prism methodology.
Nalika Peiris	(appointed May 2010) Nalika is currently the Unit Manager Community Development and Social Policy at Moreland City Council. She has held a number of roles in inner city local government over the last 15 years. Much of her work has been in the community development and cultural development areas, including family, children and youth services, community grants, managing volunteers, community planning, Indigenous and Reconciliation, cultural diversity, disability and community engagement. Her current professional and volunteer work has had a strong focus on issues of diversity, participation, strategic planning and organisational culture. Nalika has a Bachelor of Education (Primary – Visual Arts Major), Master of Education (Arts Administration) and Advanced Diploma of Business Management.

Indemnities and Insurance

The Cultural Development Network Inc. is covered by Alliance Insurance to insure each of the members against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Committee Member of the Cultural Development Network Inc., other than conduct involving a willful breach of duty in relation to the Cultural Development Network Inc..

In accordance with normal commercial practices under the terms of the insurance contracts, the nature of the liabilities insured against and the amount of the premiums are confidential.

CULTURAL DEVELOPMENT NETWORK INCORPORATED

Likely Future Developments and Expected Results

In our opinion, all appropriate information concerning the possible developments in, and expected results of, the operations of the Cultural Development Network Inc are contained in this annual report.

Committee Member's Benefits

The Committee Members of Cultural Development Network Inc are voluntary appointments made under the rules of the Association. Neither during, nor since, the financial year has any Committee Members received or been entitled to receive a benefit or remuneration from the Association.

Committee Member's Interests in Contracts

No Committee Members of the Association receives any pecuniary interest as a result of contracts or dealings of the Association.

CULTURAL DEVELOPMENT NETWORK INCORPORATED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31st DECEMBER 2010

	Note	2010 \$	2009 \$
REVENUE			
Grant funding		282,364	499,276
Other Revenue		7,202	89,256
Interest Received		4,990	4,895
TOTAL REVENUE	2	294,556	593,427
EXPENDITURE			
Depreciation		562	562
Employee Benefit Expenses		122,521	160,136
Finance Costs		0	0
Infrastructure and Administration		22,079	27,496
Business Development		2,047	6,414
Marketing & Publications		9,319	17,480
Programs & Project		132,002	376,937
Other expense		1,612	0
TOTAL EXPENDITURE	3	290,140	589,025
PROFIT (LOSS) BEFORE INCOME TAX ATTRIBUTABLE TO MEMBERS OF THE ENTITY	3	4,414	4,402
Income Tax		0	0
PROFIT (LOSS) AFTER INCOME TAX ATTRIBUTABLE TO MEMBERS OF THE ENTITY		4,414	4,402
OTHER COMPREHENSIVE INCOME		0	0
TOTAL COMPREHENSIVE INCOME(LOSS) FOR THE YEAR ATTRIBUTABLE TO MEMBERS OF THE ENTITY		4,414	4,402

CULTURAL DEVELOPMENT NETWORK INCORPORATED

STATEMENT OF FINANCIAL POSITION (BALANCE SHEET) AS AT 31st DECEMBER 2010

	Note	2010 \$	2009 \$
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	4	121,664	93,193
Trade and Other Receivables	5	166	36,514
Other Current Assets – Prepayments		2,482	2,627
TOTAL CURRENT ASSETS		124,312	132,334
NON-CURRENT ASSETS			
Property, Plant & Equipment	6	294	856
TOTAL NON-CURRENT ASSETS		294	856
TOTAL ASSETS		124,606	133,190
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables	7	29,652	12,322
Unspent Grant funds carried forward		31,793	59,694
Short-term Provisions Payable	8	5,065	7,492
TOTAL CURRENT LIABILITIES		66,510	79,508
NON-CURRENT LIABILITIES			
Long-term Provisions Payable	8	0	0
TOTAL NON-CURRENT LIABILITIES		0	0
TOTAL LIABILITIES		66,510	79,508
NET ASSETS		58,096	53,682
EQUITY			
Retained Earnings		58,096	53,682
TOTAL EQUITY		58,096	53,682

CULTURAL DEVELOPMENT NETWORK INCORPORATED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st DECEMBER 2010

	Retained Earnings	Total Equity
2008		
Balance at end of financial year	49,280	49,280
2009		
Profit (Loss) attributable to members	4,402	4,402
Balance at end of financial year	53,682	53,682
2010		
Profit (Loss) attributable to members	4,414	4,414
Balance at end of financial year	58,096	58,096

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st DECEMBER 2010

	Note	2010 \$	2009 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Grant Receipt		279,909	371,513
Other Revenue		44,270	96,775
Interest Received		4,990	4,895
Payments to Suppliers & Employees		(300,700)	(630,487)
NET CASH GENERATED (USED) BY OPERATING ACTIVITIES	12	28,471	(157,304)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of Property, Plant and Equipment		0	0
Proceeds from Sale of Assets		0	0
NET CASH GENERATED (USED) BY INVESTING ACTIVITIES		0	0
NET INCREASE (DECREASE) IN CASH HELD		28,471	(157,304)
Cash and Cash Equivalents at the beginning of the year		93,193	250,497
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	4	121,664	93,193

CULTURAL DEVELOPMENT NETWORK INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st DECEMBER 2010

The financial statements cover Cultural Development Network Incorporated as an individual entity. It is an association incorporated in Victoria under the Associations Incorporation Act 1981. It is a not-for-profit charitable institution; as such it is exempt from income tax.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Accounting Standards, including Australian Accounting Interpretations and the Associations Incorporation Act 1981.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

Reporting basis and conventions

The financial statements have been prepared on an accruals basis and are based on historical costs modified where applicable by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Accounting Policies

Revenue

Interest revenue is recognized on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from the rendering of a service is recognized upon the delivery of the service to the customers.

Grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

All revenue is stated net of the amount of Goods and Services Tax (GST).

CULTURAL DEVELOPMENT NETWORK INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st DECEMBER 2010

Goods and Services Tax (GST)

Revenues, expenses and assets are recognized net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances, the GST is recognized as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

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

Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Critical Accounting Estimates and Judgments

The Committee Member evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

Key estimates – Impairment

The entity assesses impairment at each reporting date by evaluating conditions specific to the entity that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number a key estimates.

No impairment has been recognized in respect of this financial year.

Income Taxation

Public Benevolent Institutions and Charitable Institutions are exempt from income tax. This entity is endorsed by the Taxation Office as a Charitable Institution. Therefore no income tax is payable by the entity.

CULTURAL DEVELOPMENT NETWORK INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st DECEMBER 2010

Property, Plant and Equipment

Buildings, Motor Vehicles, Office Furniture and Equipment and Plant and Equipment

Buildings, Motor Vehicles, Office Furniture and Equipment and Plant and Equipment are carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses. All assets are depreciated over the estimated useful lives of the assets to the entity.

Property

Freehold land is at cost.

Depreciation

The depreciable amount of Buildings (but not freehold land), Motor Vehicles, Office Furniture and Equipment and Plant and Equipment are depreciated on a written down value (WDV) or a straight line basis over their useful lives to the entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Asset	Depreciation Rate	Method
Plant & Equipment	33%	Straight Line

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to the entity, are classified as finance leases.

Finance leases are capitalized by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

CULTURAL DEVELOPMENT NETWORK INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st DECEMBER 2010

Lease incentives under operating leases are recognized as a liability and amortized on a straight-line basis over the life of the lease term.

Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139: Financial Instruments: Recognition and Measurement. Derivatives are also categorized as held for trading unless they are designated as hedges. Realized and unrealized gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortized cost using the effective interest rate method.

Held-to-maturity investments

These investments have fixed maturities, and it is the entity's intention to hold these investments to maturity. Any held-to-maturity investments held by the entity are stated at amortized cost using the effective interest rate method.

Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value.

Financial liabilities

Non-derivative financial liabilities are recognized at amortized cost, comprising original debt less principal payments and amortization.

Derivative instruments

Derivative instruments are measured at fair value. Gains and losses arising from changes in fair value are taken to the income statement unless they are designated as hedges.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

CULTURAL DEVELOPMENT NETWORK INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st DECEMBER 2010

Impairment

At each reporting date, the entity assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognized in the income statement.

As a not-for-profit entity the value in use of an asset may be equivalent to the depreciated replacement cost of that asset when the future economic benefits of the asset is not primarily dependent on the asset's ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits

Provisions

Provisions are recognized when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Employee Benefits

Provision is made for the entity's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

Unspent Grant Funds

Unspent Grant Funds available as revenue or liable to be returned to the grant provider in the following year are recognised as a current liability in the balance sheet. They are not treated as an operating surplus or profit.

CULTURAL DEVELOPMENT NETWORK INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st DECEMBER 2010

AASB 101 – Presentation of Financial Statements

There have been changes in the Australian Accounting Standards Board (AASB) standards AASB101 that require changes to the presentation of certain information within the financial statements. Below is an overview of the key changes and their impact on these financial statements.

Disclosure impact

Terminology changes:- The revised version of AASB 101 contains a number of terminology changes, including to the names of the primary financial statements. Put simply the Profit and Loss Statement is now termed the 'Statement of Comprehensive Income' and the Balance Sheet is now the 'Statement of Financial Position'.

Reporting changes in equity:- The revised AASB 101 requires all changes in equity arising from transactions with owners, in their capacity as owners, to be presented separately from 'non-owner' changes in equity. 'Non-owner' changes are shown in the Statement of Comprehensive Income and 'Owner changes' are shown in the Statement of Changes in Equity.

Other comprehensive income:- AASB 101 introduces the concept of 'Other Comprehensive Income', which is income and expense items that are not required to be shown in the Profit and Loss under other Australian Accounting Standards.

New Accounting Standards for Application in Future Periods

The AASB has issued new and amended accounting standards and interpretations that have mandatory application for future accounting periods. The entity has decided against early adoption of these standards.

CULTURAL DEVELOPMENT NETWORK INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st DECEMBER 2010

	2010 \$	2009 \$
NOTE 2 REVENUE		
Grant income		
Australia Council Triennial	66,500	66,500
Arts Victoria Triennial	53,528	52,326
City of Melbourne	14,435	15,972
DVC Generations	0	10,000
DHS	0	4,500
Vic Health	30,000	22,500
Arts Vic Project	19,925	50,000
Office of Disability	0	8,000
Centre for Policy Studies Grant	0	1,478
Sub total	184,388	231,276
Auspice Grants		
Local Government	0	35,000
City of Melbourne – Regenerating conf	0	8,000
Commonwealth Government	97,976	225,000
Sub total	97,976	268,000
Grant funding income	282,364	499,276
Other Revenue		
- Memberships	471	801
- Conference	0	77,086
- Book Sales	5,559	177
- Public Event Registrations		
- Other	1,172	11,192
Other Revenue	7,202	89,256
Interest received	4,990	4,895
TOTAL REVENUE	294,556	593,427

NOTE 3 REVENUE AND EXPENSE ITEMS

Auditor's remuneration for

Audit or review of financial statements	3,400	3,400
Other Services	-	-
	3,400	3,400

Bad and doubtful debts

Trade Receivables	0	0
Total bad and doubtful debts	0	0

Rental expense on operating leases

Operating Lease Minimum Lease Payment	0	0
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CULTURAL DEVELOPMENT NETWORK INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st DECEMBER 2010

Significant Revenue and Expense items from prior year	2010 \$	2009 \$
The following significant revenue and expense changes are relevant in explaining the financial performance [Unfavourable in ()]		
	\$'000	\$'000
Revenue		
Grant Funding	282	499
Other Revenue	7	89
Interest	5	5
	294	593
Expenses		
Employees	123	160
Infrastructure and Administration	22	27
Business Development	2	6
Marketing & Publications	9	17
Program Projects	132	377
Depreciation	1	1
Other	1	1
	290	589
Net profit (Loss)	4	4

NOTE 4 CASH AND CASH EQUIVALENTS

Reconciliation of cash

Cash at the end of the financial period as shown in the cash flow statement is reconciled to the related items in the statement of financial position as follows:

Current Assets

Cash on hand	33	0
Cash at Bank	73,249	64,134
Investment Account	48,382	29,059
	121,664	93,193

NOTE 5 TRADE AND OTHER RECEIVABLES

Current

Trade Debtors	166	36,514
Less: Provision for Impairment of receivables	0	0
Total current trade and other receivables	166	36,514

CULTURAL DEVELOPMENT NETWORK INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st DECEMBER 2010

Provision for impairment of receivables

Current trade debtors are generally on 30 day terms. These receivables are assessed for recoverability and a provision for impairment is recognized when there is objective evidence that an individual trade receivable is impaired. These amounts (if any) have been included in other expense items.

Movement in the provision for impairment of receivables is as follows:-

Provision for impairment		
Balance at 31st December 2008	0	0
Charge for year	0	0
Written off	0	0
Balance at 31st December 2009	0	0
Charge for year	0	0
Written off	0	0
Balance at 31st December 2010	0	0

Credit risk – Trade and Other Receivables

The entity does not have any material credit risk to any single receivable or group of receivables.

The following table details the entity's trade and other receivables exposed to credit risk with aging analysis and impairment provided for thereon. Amounts are considered as "past due" when the debt has not been settled within the terms and conditions agreed between the entity and the debtor party. A provision for impairment is assessed as mentioned above.

An assessment has been made that both debts within trading terms and debts that have not been impaired will be received.

There are no financial assets that would have been impaired or past due had they not been renegotiated.

CULTURAL DEVELOPMENT NETWORK INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st DECEMBER 2010

	Gross amount	Less impaired	Within trading terms	Past due but not impaired 31-60 days	Past due but not impaired 61-90 days	Past due but not impaired 90+ days
2010						
Trade and term receivables	166	0	166			
Other receivables						
Total	<u>166</u>	<u>0</u>	<u>166</u>			
2009						
Trade and term receivables	36,514	0	9,524	25,709	0	1,281
Other receivables						
Total	<u>36,514</u>	<u>0</u>	<u>9,524</u>	<u>25,709</u>	<u>0</u>	<u>1,281</u>

	2010 \$	2009 \$
NOTE 6 PROPERTY, PLANT AND EQUIPMENT		
Office Equipment	1,689	1,689
Less: Accumulated depreciation	(1,395)	(833)
Total Office Equipment	<u>294</u>	<u>856</u>
Total Property, Plant and Equipment	<u>294</u>	<u>856</u>

Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment

	Office Equipment	Total
2008		
Carrying amount at end year	<u>1418</u>	<u>1418</u>
2009		
Additions at cost		
Disposals		
Depreciation Expense	(562)	(562)
Carrying amount at end year	<u>856</u>	<u>856</u>
2010		
Additions at cost	0	0
Disposals		
Depreciation Expense	(562)	(562)
Carrying amount at end year	<u>294</u>	<u>294</u>

CULTURAL DEVELOPMENT NETWORK INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st DECEMBER 2010

NOTE 7 TRADE AND OTHER PAYABLES

	2010	2009
	\$	\$
Trade Creditors	23,638	2,753
Sundry Creditors	6,014	9,569
	<u>29,652</u>	<u>12,322</u>

NOTE 8 PROVISIONS

Current Provisions

Staff Annual Leave	5,065	7,492
Long Service Leave	0	0
	<u>5,065</u>	<u>7,492</u>

Non-current Provisions

Long Service Leave	0	0
TOTAL PROVISIONS	<u>5,065</u>	<u>7,492</u>

NOTE 9 CAPITAL AND LEASING COMMITMENTS

Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalized in the financial statements:

Payable – minimum lease payments

- no longer than 1 year	0	0
- longer than 1 year but not longer than 5 years	0	0
- greater than 5 years	0	0

Capital Expenditure commitments

Capital Expenditure commitments contracted for:

- Plant & Equipment purchases
- Capital Expenditure projects

Payable

- no longer than 1 year	0	0
- longer than 1 year but not longer than 5 years	0	0
- greater than 5 years	0	0

NOTE 10 CONTINGENT LIABILITIES & CONTINGENT ASSETS

Estimates of the potential financial effect of contingent liabilities that may become payable are:

No contingent Liabilities or Assets exist.

NOTE 11 EVENTS AFTER THE BALANCE SHEET DATE

There have been no material non-adjusting events after the reporting date, nor has any information been received about conditions at reporting date that have not been included in this report.

NOTE 12 CASH FLOW INFORMATION

CULTURAL DEVELOPMENT NETWORK INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st DECEMBER 2010

Reconciliation of cash flow from operations to surplus (deficit) for the year

	2010	2009
	\$	\$
Profit (Loss) for the year	4,414	4,402
Add back Loss on Sale Assets		
Add back non-cash items		
Depreciation	562	562
Increase (Decrease) in Provisions	(2,427)	2,991
	2,549	7,955
Changes in Assets and Liabilities		
(Increase) Decrease in Prepayments	145	(233)
(Increase) Decrease in Trade & Other Receivables	36,348	(1,407)
Increase (Decrease) in Trade and Other Payables	17,330	(2,082)
Increase (Decrease) in Grants unspent and received in Advance	(27,901)	(161,537)
NET CASH GENERATED (USED) BY OPERATING ACTIVITIES	28,471	(157,304)

NOTE 14 ECONOMIC DEPENDENCE

The entity is economically dependent on Commonwealth and State Government departments for Grant Funding. If funds are not spent in accordance with Grant Conditions the departments can suspend future grants or reclaim all or part of the grant(s). The entity is dependent on the continued receipt of grants

NOTE 15 FINANCIAL RISK MANAGEMENT

The entity's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, loans and borrowings and mortgages.

The totals for each category of financial instruments, measured in accordance with AASB 139 is as follows:-

	2010	2009
	\$	\$
Financial assets		
Cash and cash equivalents	121,664	93,193
Loans and Receivables	166	36,514
Total financial assets	121,830	129,707
Financial liabilities		
Financial liabilities at amortised cost		
- Trade and other payables	29,652	12,322
- Grants unspent and in advance	31,753	59,694
Total financial liabilities	61,405	72,016

CULTURAL DEVELOPMENT NETWORK INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st DECEMBER 2010

Financial risk management policies

The Committee Members' overall risk management strategy is to assist the entity in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the Committee Members on a regular basis. These include credit risk policies and future cash flow requirements

The entity does not have any derivative instruments at the end of the reporting period.

Specific Financial Risk Exposures and Management

The main risks the entity is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

(a) Credit risk

Credit risk is the risk that parties that owe money do not pay it.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

The entity does not have any significant concentration of credit risk exposure to any single, or group, of counter-parties under financial instruments entered into by the entity. A profile of credit risk appears above under the Note on 'Trade and Other Receivables'

(b) Liquidity risk

Liquidity risk arises due to the possibility that the entity might encounter difficulty in settling its own debts or other liabilities. The entity manages this risk by managing credit risk on amounts owed to it, monitoring forecast cash flows and ensuring that adequate unutilized borrowing facilities are maintained.

CULTURAL DEVELOPMENT NETWORK INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st DECEMBER 2010

Financial liability and financial asset maturity analysis

	Within 1 year		Over 1 year		Total	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Financial liabilities due for payment						
Trade and other payables (excluding employee benefit provisions and deferred income)	30	12			30	12
Grants unspent and in advance	32	60			32	60
Total expected outflows	62	72			62	72
Financial assets – cash flows realizable						
Cash and cash equivalents	122	93			122	93
Trade and other receivables	-	37			-	37
Total anticipated inflows	122	130			122	130
Net inflow (outflow) on financial instruments	60	58			60	58

(c) Market Risk

Interest rate risk

Exposure to interest rate risk arises whereby future changes in interest rates will affect future cash flows or the fair value of financial assets and liabilities.

Price Risk

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in their market price.

Sensitivity analysis

The following table illustrates sensitivities to the entity's expose in interest rates and equity prices (if equities held). The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in any particular variable is independent of other variables

		Profit		Equity	
		\$		\$	
Year ended 31st December 2009					
+ or – 2% in interest rates	+/-	2,200	+/-	2,200	
+ or - 10% in listed investments	+/-	0	+/-	0	
Year ended 31st December 2010					
+ or – 2% in interest rates	+/-	2,400	+/-	2,400	
+ or - 10% in listed investments	+/-	0	+/-	0	

CULTURAL DEVELOPMENT NETWORK INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st DECEMBER 2010

(d) Foreign currency risk

The entity is not exposed to fluctuations in foreign currency.

Net Fair Values

The net fair values of listed investments have been valued at the quoted market bid price at balance date adjusted for transaction costs expected to be incurred. For other assets and other liabilities the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organized markets in standardized form other than listed investments.

The differences between fair values and carrying values of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market to those instruments since their initial recognition by the entity. Most of these instruments which are carried at amortised cost (e.g. trade receivables, loan liabilities) are to be held until maturity and therefore their current net fair values bear little relevance to the entity.

As appropriate the net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the Statement of Financial Position and in the notes to the financial statements.

NOTE 16 KEY MANAGEMENT PERSONNEL COMPENSATION

	2010	2009
	\$	\$
The total of remuneration paid to key management personnel (KMP) of the entity during the year is as follows:		
Short-term employee benefits	96,299	104,321
Post-employment benefits	8,667	9,389
Other long-term benefits		
Termination benefits	<u>104,966</u>	<u>113,710</u>

NOTE 17 RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favorable than those available to the other parties unless otherwise stated.

During or since the end of the previous financial year, a Committee Members/Executive of the Entity has not received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Committee Members/Executives shown in the accounts, or the fixed salary of a full-time employee of the Entity), by reason of a contract made by the Entity with the Committee Member/Executive or with a firm of which he/she is a member or with an entity in which he/she has a substantial financial interest.

None of the Governing Committee received a salary from the association

NOTE 18 ASSOCIATION DETAILS

The registered office of the association is:

Level 9, 240 Little Collins St
Melbourne, Victoria

The principal place of business is: at the registered office

CULTURAL DEVELOPMENT NETWORK INCORPORATED

STATEMENT BY MEMBERS OF THE COMMITTEE

In the opinion of the committee, the financial report as set out on pages 6 to 23:

- 1 Presents fairly the financial position of Cultural Development Network Incorporated as at 31st December 2010 and its performance for the year ended on that date in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Standards Board
- 2 At the date of this statement there are reasonable grounds to believe that Cultural Development Network Incorporated will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the committee and is signed for and on behalf of the committee by: -



SUE BEAL

Dated this 5th day of April, 2011

CULTURAL DEVELOPMENT NETWORK INCORPORATED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CULTURAL DEVELOPMENT NETWORK INCORPORATED

Report on the financial report

I have audited the accompanying financial report of Cultural Development Network Incorporated (the association) which comprises the Statement of Financial Position as at 31st December 2010, and the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year ended on that date a summary of significant accounting policies, other explanatory notes and the statement of the committee.

Committees' Responsibility for the Financial Report

The committee of the association is responsible for the preparation and presentation of the financial report in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Associations Incorporation Act 1981. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I 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 and fair presentation of the financial report 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 estimate made by the committee, as well as evaluating the overall presentation of the financial report

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

Independence

In conducting my audit I have complied with the independence requirements of Australian professional ethical pronouncements

CULTURAL DEVELOPMENT NETWORK INCORPORATED

Auditor's Opinion

In my opinion:

The financial report of Cultural Development Network Incorporated is in accordance with the Associations Incorporation Act 1981 including

- i. giving a true and fair view of the association's financial position as at 30 June 2010 and its performance and its cash flows for the year ended on that date: and
- ii. complying with Australian Accounting Standards (including Australian Accounting Interpretations) and the Associations Incorporation Act 1981.

Name of firm E Townsend & Co



Name of Auditor Eric Townsend

Address 35 Mereweather Ave
FRANKSTON Vic 3199

Dated this 22nd day of March 2011