

# CULTURAL DEVELOPMENT NETWORK INCORPORATED

ABN 57 399 480 298



Lord Mayor of Melbourne, Hon. Robert Doyle, welcomes President of UCLG ASPAC, Dr. Fauzi Bowo Governor of Jakarta Capital City Government and delegates at CDN Conference *Culture: A New Way of Thinking for Local Government, October 2011*

## ANNUAL AND FINANCIAL REPORT FOR THE YEAR ENDED 31<sup>st</sup> DECEMBER 2011

# CULTURAL DEVELOPMENT NETWORK INCORPORATED

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# CULTURAL DEVELOPMENT NETWORK INCORPORATED

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## COMMITTEE REPORT

The committee members present this report of Cultural Development Network Incorporated for the financial year ended 31st December 2011.

## 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  
Dr Nicholas Hill  
Nalika Peiris  
Greg Box

## 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 exemplar projects that provide research data and opportunities to demonstrate the principles of cultural development through community arts based activities.

The activities of Cultural Development Network are defined by the agreement with Arts Victoria and the MOU between Arts Victoria and the Australia Council, specifically;

- ◆ the provision of professional advisory and advocacy services, programs and resources for community artists and cultural development staff in local government.
- ◆ the development of Partnerships with community organisations and local government bodies to demonstrate exemplar projects that expand the knowledge and experience of participants (artists, communities, local government officers).
- ◆ participation as a community arts and cultural development service delivery agency in relation to the Australia Council / Arts Victoria Community Partnerships Service Delivery Fund 2009 - 2011

## Operating Results

The net result of the Cultural Development Network Inc. for the period of operation ending on 31 December 2011 was a deficit of \$236

## Review of Operations

The operations of the Association in 2011 were carried out by the John Smithies, Director, Kim Dunphy Program Manager, and Lyndall Metzke Administrator.

The Committee was joined by Greg Box, Arts and Culture Manager, Shire of Yarra Ranges.

CDN management is supported by the resources agreement with City of Melbourne which provides the full office support available to other units in the Arts and Culture Branch of the City of Melbourne. The agreement was renewed in 2011 through to July 2012.

CDN has a formal reporting line into the Cultural Development and Engagement unit of Arts and Culture Branch. The following reports briefly describe the organisations corporate activities in 2010.

## GOVERNANCE

Cultural Development Network is a Incorporated Association that is governed by a seven member Committee. The Committee meets four times over an annual cycle:

The Annual General Meeting is held in conjunction with the May Committee meeting each year

August: Forward Strategy and Business Planning with new Committee

December: Approve Business Plan and Forward Year Budget

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March: Approve Annual Report on previous year

May: Performance and Program Review of previous year

The CDN management reports to the Committee on financial performance and program performance against the key indicators agreed to by the Committee. The Committee as a whole acts as the Finance Committee.

The Board reviews its operations in May of each year and reports in its May Board meeting. The Recruitment and Remuneration Committee of the Board considers the Management report against program objectives of the previous year and makes adjustments to the salary scale, taking into account CPI, organisational performance and financial position of the Association.

The Committee has a Recruitment and Remuneration Committee which oversees the pay structure and terms of employment contracts for staff; and recruitment of its executive officer.

## MANAGEMENT & ADMINISTRATION

In 2011, Cultural Development Network was managed by 3 staff (equivalent full-time 1.6 positions) plus short-term project based employees which continue the structure of 2010. The organisation also contracted specialist services such as accounting, design, web-site management, publicity and project management as required. Postage, communications (telephone and data), vehicle pool, IT support and meeting rooms were provided under a resource agreement with the City of Melbourne. CDN contracted Figures R Us as its accountants and bookkeepers, and the Annual Audit for 2011 was carried out by Eric Townsend Co Pty Ltd. The organisation operates and reports on a calendar financial year. CDN aims to maintain a cash balance suitable to cover cashflow, some modest growth and sufficient funds in the event of a wind-up of the association.

## MARKETING

Cultural Development Network markets itself and programs through a monthly e-bulletin and through networks associated with event partners such as universities and councils.

Key indicators of efficacy of our marketing are;

- ◆ volume of requests for advice and expertise from range of organisations and individuals including funding bodies, local governments, arts workers
- ◆ request for our publications from local, interstate and overseas
- ◆ all events run in 2010 were well attended with more than 50% capacity

Evaluations undertaken at events provide feedback with more than 70% rating the events 'Excellent' or 'Very good'.

Advertising and promotional materials are available at [www.culturaldevelopment.net.au](http://www.culturaldevelopment.net.au)

## Membership

Cultural Development Network is an incorporated association under the Victorian Incorporated Associations Act of 1981. It has an emphasis on free subscriber membership where it engages with a larger community of over 1,400 subscribers through the website and regular E-Bulletin.

Subscribers include a predominance of local government workers particularly from arts and culture departments and also individual practitioners; artists and arts workers.

## e-Bulletin

The CDN monthly e-bulletin includes event information, news from the arts and cultural development sector, information about funding and resources. In 2010, 11 editions were distributed over the year to our list of 1,600 people, including our members, subscribers and organisations across Victoria, Australia and overseas colleagues.

## CDN website

The CDN web-site provides a resource, with regular updates of papers and presentations from all CDN's events, available for free download.

[www.culturaldevelopment.net.au/cdnevents.htm](http://www.culturaldevelopment.net.au/cdnevents.htm)

Our Resource and Links pages connected people with ideas, events, research, publications and conferences throughout the world.

[www.culturaldevelopment.net.au/resources.htm](http://www.culturaldevelopment.net.au/resources.htm)

## PROGRAM REPORT

Cultural Development Network organises its business across four key areas; Networking; Public Programs; Projects and Advocacy.

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## Networking

CDN networking activities facilitate professional interaction between workers in the cultural development sector, artists and others from government and community sectors.

### Castanet

This 'network' of arts service providers is a core activity of Cultural Development Network. As our name implies, we recognise networking is a critical part of the arts and cultural infrastructure of the State. CDN co-develops Castanet with Arts Victoria and with funding from the Australia Council for the Arts.

The Castanet arts service providers include government departments and agencies where the arts play a role in policy formulation and service delivery. The group holds roundtable meetings of the 12-15 service members and manages a small fund to develop and deliver initiatives that increase and improve the service to artists and developing arts groups across Victoria.

The Cultural Development Network has been primarily responsible for developing an on-line Castanet Information Exchange that will put information 'seekers' in touch with a large pool of self-nominated 'advisors' in near-real time to answer those short questions that are not easily resolved through other websites or from a local arts network.

Requests for information and referral occurred daily with CDN providing advice and information to artists, arts and other organisations, councils, funding bodies and others. The Castanet Information Exchange will aim to bypass the many information bottle -necks that emerging artists and arts groups have when developing their art and projects.

### Arts and Community PhD Researchers' Network

This is a partnership between CDN and VCAM's Centre for Cultural Partnerships and brings together research students from across Victorian universities who are interested in cultural development, social change, creative methodologies, artistic intervention, and/ or community research themes. The network meets monthly to provide opportunities for presentation and discussion of new research in an informal and supportive collegial environment.

### Travel and council visits

CDN carries out all its public programs and projects with local government and therefore opportunities to visit and meet with councils across regional and metropolitan Victoria also lead to new networks through a variety of partnerships.

## Discourse and Debate

In 2011 Cultural Development Network continued its ongoing series of forums with the City of Melbourne which are described below. It also developed a major international and national conference overlap with the IFACCA World Arts Summit of 2011 in Melbourne.

The announcement by Australia Council in 2009 that the International Federation of Arts Councils and Cultural Agencies (IFACCA) would be holding the 5th World Summit in Melbourne in 2011 prompted CDN to see this as an opportunity to take the agenda of local government arts policy and the UCLG declaration on culture to this international conference of arts policy advisors and implementers.

In April 2011, CDN Director travelled to the UCLG ASPAC Council Meeting in Kovalam Beach, Kerala, India to propose that the regional conference of UCLG be held in October 2011 in Melbourne to coincide with the IFACCA World Arts Summit. This bid was successful and the event ran over two days 3 – 4 October.

The public events held in 2010 are as follows;

### Public Forum: Home Lands, March 2011

Presented by the Cultural Development Network and the City of Melbourne, supported by La Trobe University Refugee Research Centre, the Centre for Multicultural Youth and APC.AU

This forum addressed issues arising from young people's use of technology in construction of identity and home in a new country. It asked the question, could re-settlement of young people from refugee backgrounds be more successful if identification and communication with home communities is maintained? And, how could technology assist with this?

Presenters:

**Prof. Sandy Gifford**, La Trobe University Refugee Research Centre (listen to audio)

**Dr. Raelene Wilding**, La Trobe University Refugee Research Centre (listen to audio)

**Dave Nguyen**, Artist, Home Lands project (listen to audio)

**Jen Hughes**, Digital Artist and Documentary Maker, Friends of Suai, East Timor

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**Shakthi Sivanathan**, CuriousWorks, Sydney

## **Public forum: Arts, Local Government & Climate Change**

Presented by the Cultural Development Network and the City of Melbourne

Exploring ways that local councils are using the arts to address issues of environmental sustainability, especially climate change, through the arts.

Issues explored: How councils are using arts initiatives to engage communities around issues of environmental sustainability and climate change? What contributions artists can make in spreading the sustainability message? What factors have helped ideas get traction? What kinds of initiatives can be undertaken without a lot of resources? How can arts projects be developed with environmental sustainability in mind?

## **International Conference: Culture – A New Way of Thinking for Local Government**

On how the inclusion of culture with social, environment and economic policies strengthens local governance

In November 2010, UCLG, the international peak body of local governments declared that culture was the 'fourth pillar' of sustainable development, identifying that its contribution as a domain of policy with social, economic and environmental domains strengthens local communities.

This international conference discussed the potential for the declaration to change the way culture is valued and supported by local government, not only in Australia but for local governments in the Asia Pacific region.

The conference included diverse perspectives on cultural policy from across the Asia-Pacific. Issues discussed included:

- Can positive change be expected as a result of this policy statement?
- How can it assist councils to achieve best outcomes for their communities?
- What are the different ways 'culture' is interpreted and how does this influence local government policies in relation to the arts?

## **Arts and Community PhD Researchers' Network**

*Community-based Artists: Dialogues of Identity and Learning*

Dr Mark Selkrig, Faculty of Education, La Trobe University, Albury-Wodonga Campus.

Mark recently completed his doctoral studies that explored why artists choose to involve themselves in community-based art practice(s). The aim of the research was to gain insight into how they, as artists, make meaning and learn from these situations, and how this in turn influences their own sense of identity. During the presentation Mark outlined the findings from his inquiry, which involved talking with 12 artists who live and work in regional Australia. Mark discussed the research approaches and strategies he developed that assisted him to make sense and reflect on his own learning journey over the course of his study.

*I am, you are ... but who are they and why are they looking at us like that?*

Isabel Jackson, PhD candidate, the Australian Centre of The School of History and Philosophical Studies, University of Melbourne

The role of arts in community based cultural identity – developed from observations and unanswered questions that arose in her own experience as an arts practitioner and in arts administration, education and management

*How does previous physical activity and motherhood influence activity levels in later life for older Somali women living in Melbourne, Australia?*

Georgia Birch, PhD candidate, Deakin University.

The arts were used as a communicative tool for participants to establish rapport and relationships with the researcher and allowed time and development of the narrative processes.

*Evaluating Community Wellbeing and Cultural Policy: From Theory to Practice'*

Emma Blomkamp, PhD candidate, VCAM and University of Auckland

This research examines how local governments in Australia and New Zealand respond to the challenge of developing and implementing cultural plans and programmes in this complex environment, and how they evaluate progress towards abstract goals such as community cohesion and cultural vitality.

*This Place has No Place: Traditional Circus, Community and Belonging*

Dr. Andrea Lemon, Creative Director of Cha Cha Sam and Kids Thrive

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In this paper Andrea draws on oral history interviews with over 50 elderly traditional circus artists and proprietors, and participant observation undertaken travelling with traditional circuses through Queensland, NSW and South Australia, to examine the notion of circus<sup>1</sup> as place<sup>1</sup>, and the ways in which nomadic circus people express a sense of community and belonging disconnected from geographic place.

*In search of commonalities in multiple sovereignties: a discussion of intercultural and multilingual performance collaborations in Cardiff, Dili, Jordan, Tokyo*

Adam Broinowski, University of Melbourne

Adam Broinowski has recently submitted a PhD at the Centre for Ideas and the School of Philosophical and Historical Studies, University of Melbourne on the Japanese aesthetic history of the body from the post-war to the present. A writer and researcher based in Melbourne, he has lived and worked in Japan intermittently since 1984. For over a decade, he worked as a professional theatre and filmmaker, making his own productions and touring with leading Australian theatre companies.

*The Influence of Museums' Relational Capabilities on their Work with Culturally Diverse Communities*

Anne Kershaw, PhD candidate, Management and Marketing, Deakin University

This research explores the impact of a museums' relational capacity to work with culturally diverse communities. It will examine museum engagement with culturally diverse communities from the perspective of marketing and leadership. As a recently enrolled PhD candidate, this presentation will also consider the transition from practitioner to academic, and reflections on research.

*Evaluating Victoria's Community Arts Advisory Network, Castanet*

Sue Doyle, Policy and Research Unit, Arts Victoria

Castanet is a network of Victorian arts organisations, artists and government agencies in partnership with Arts Victoria and funded by the Australia Council. Castanet supports community arts and cultural development in Victoria by providing professional development programs as well as planning, brokering and information services to develop community arts projects and activities. Castanet is a new model of service delivery in Victoria and a different approach from other states. Arts Victoria recently completed an interim evaluation report about the effectiveness of the network and outcomes to date.

*Towards a Conceptual Handshake: bringing together theory, policy and practice of cultural indicators*

Chaired by Dr. Lachlan MacDowall, Research Coordinator, Centre for Cultural Partnerships, VCAM.

This event featured three unique perspectives from the burgeoning field of cultural indicators. From UNESCO's benchmarks for cultural freedoms, comparison of LGA cultural provision, to community arts evaluation – diverse approaches to quantifying cultural value exist. Responding to Colin Mercer's (2002) call for conceptual and policy 'handshakes', our speakers drew on their doctoral research to progress the dialogue about cultural measurement, aiming to enhance the knowledge base for cultural policy, planning and development.

*The political context of cultural indicators: evidence and values in democratic governance*

Emma Blomkamp, PhD candidate, VCAM and University of Auckland,

What's measured matters' is a common assumption in the development and application of indicator frameworks. My presentation considers reasons for the 'cult of measurement' in contemporary governance by exploring the political and strategic use of cultural indicators within the broader context of evidence-based policy and democratic accountability.

*Understanding outcomes of participatory arts: a framework for evaluation*

Kim Dunphy, PhD candidate, International and Community Development, Deakin University

This presentation introduces a framework for evaluation of participatory arts activities. It takes a multi-dimensional approach, providing a method for considering cultural, social, economic and environmental outcomes of such programs, using Hawkes' four pillar model that considers cultural vitality, social equity, economic viability and environmental responsibility as equally important aspects of sustainable communities.

*'Naming the World' as representation: a relational approach in socially-engaged arts and cultural indicators*

Marnie Badham, PhD student at the Centre for Cultural Partnerships at VCAM

A relational approach to representational practice (in socially-engaged art and cultural indicators) offers meaningful ways for communities to 'name the world'. Resisting hierarchies of cultural value, this thesis uses Freirean pedagogy to argue firstly, culture is the social production of meaning and secondly, meaning is

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located within place-based contexts. Two practice-led case studies on local cultural indicators are explored: the Community Pulse in Port Phillip, Australia and in North Central, Regina, deemed Canada's Worst Neighbourhood. Conclusions bring together ethical and aesthetic concerns with implications for multiple representational fields in art and politics.

*Be:Longing – Enacting Indigenous leadership in the arts*

Michelle Evans, PhD candidate, Melbourne Business School

My PhD research investigates the leadership enacted by Indigenous Australian artists and arts leaders. I have interviewed 32 Australian arts leaders (30 indigenous and 2 non-Indigenous Australians) from across Australia and across disciplines. I have also conducted a small cross cultural comparison study in Canada having interviewed 6 arts leaders (5 indigenous and 1 non-Indigenous). I am focusing on the discourses available to Indigenous arts leaders in the action of their leadership and how these discourses limit and free us to lead. In this presentation I will present an overview of the methodology chapter of my thesis.

*Shifting Identities, Becoming Peace-builders*

Lesley Pruitt, Postdoctoral Research Fellow, Victoria University

For this study, I conducted fieldwork with two non-government organizations – in Australia and in Northern Ireland – involved in youth peace-building projects that utilize music. Findings from this study suggest that music can play a major role in encouraging identity work that may offer alternative understandings of identity for young people, both of themselves and others. While limited, the evidence discussed here shows that music may be used in developing more peaceful understandings of the self, developing greater self-esteem, and aiding in healing. At the same time, music-based peace-building programs may also enable youths to develop different concepts of the identities of others, challenging stereotypes and actually experiencing working together collaboratively.

*Video-as-process: experiments in thinking with a video camera,*

Poppy de Souza

The idea of 'walking with video', according to Sarah Pink, implies an engagement with a 'world in progress' (Pink, 2007, 249) which is constantly being reshaped both in the imagination and through human action. Video-making for Pink becomes a process which gathers together people, things, sensory and embodied experiences in and along complex and intricate paths of meaning-making in movement and in place.

## **Projects and Partnerships**

We initiate and run a range of projects that focus on cultural development in communities, with partners including local and state government, arts organisations and universities. Through this work, we aim to expand the knowledge and experience of participants, especially artists, communities and local government staff, and provide information to shape development of public policy. All our major projects include elements of evaluation or research to ensure that the knowledge gained from the project is documented and disseminated.

These projects are reflected in the accounts when project funds are received.

The projects are developed in strategic areas where councils are looking for models of best practice or to solutions to complex issues in the municipality.

Cultural Development Network participated in two key projects in 2011

### **Home Lands**

Home Lands v2 follows on from the first iteration of Home Lands from 2010-2011. Home Lands v2 investigates the opportunities available to young Afghans to establish and maintain relationships between international and local individuals and /or groups engaged in media production.

Home Lands v2 will provide a small group of young Afghans the opportunity to express themselves through a variety of media and art forms, resulting in an ongoing series of works that would be screened online and on air; meaningful stories about their impressions of life in Australia and what they had left behind, what they bring to this country and what they have come to find here.

Home Lands v2 is collaboration between La Trobe University, City of Melbourne and the Cultural Development Network. Home Lands is funded by an Australian Research Council Linkage Grant, City of Melbourne and the Cultural Development Network.

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The project assists young people to develop skills and confidence in the use of information and communication technologies (ICTs) and supports them to co-produce material with young people in home lands and the Diaspora, and establishes internet based distribution to facilitate this exchange.

Home Lands v2 is underpinned by the premise that resettlement is more successful if the young people involved are able to identify, communicate and engage with home communities, wherever they may be.

## **LEAP (Localities Enhancing Arts Participation)**

The Localities Enhancing Arts Participation (LEAP) program encourages greater social engagement through arts and cultural activities. Cultural Development Network is contracted by VicHealth to provide a 'knowledge-broker and mentor' role with the councils.

The LEAP program is working in conjunction with local government to support new and existing arts and cultural activities. LEAP aims to strengthen and improve the organisations, networks, partnerships, resources, and events that are able to expand participation in – and sustain – arts and cultural activities.

Research indicates that increasing participation in this way brings social benefits that improve the health of individual participants. Participation in arts activity can reduce social isolation as well as contribute to lower crime rates, increased employment rates, and enhanced educational performance. LEAP is a strand of the VicHealth's social connection strategy, which aims to improve mental health and physical health and wellbeing.

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

## **Contractual Arrangements**

The 2011 year was the third of triennial funding from Arts Victoria and the Australia Council for the Arts. Funding contracts renewed in 2011 were the third 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 2011 and the numbers of meetings attended by each member were:

<b>COMMITTEE MEMBERS</b>	<b>Committee Members' Meetings</b>	
	Number eligible to attend	Number Attended
Sue Beal, Chair	5	2
Paul Holton, Treasurer	5	4
Angela Bailey, Deputy Chair	5	4
Hanut Singh Dodd	5	5
Dr Nicholas Hill	5	3
Nalika Peiris	5	5
Greg Box	2	2

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### Information on Committee Members

Name	Experience
Sue Beal	<p><b>Chair</b> (appointed May 2000)</p> <p>Sue is the Manager of Cultural Venues with the <a href="#">City of Melbourne</a> 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><b>Treasurer</b>, (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><b>Deputy Chair</b>, (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>
Hanut Singh Dodd	<p>(appointed May 2006)</p> <p>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.</p>
Dr Nicholas Hill	<p>(appointed December 2007)</p> <p>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 &amp; 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.</p>

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Information on Committee Members Continued	
Name	Experience
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.
Greg Box	(Appointed September 2011) Greg Box is currently the Manager of Arts Culture & Heritage at Yarra Ranges Council developing a number of cultural facilities. He has worked as an arts practitioner and administrator with many different communities from a diverse range of social and cultural backgrounds. Much of Greg's work has focussed on building community partnerships and cultural development projects at Greater Dandenong and Yarra Ranges. In particular he has a strong background in creating public art in local government and helped establish SITE: RMIT Public Art within the school of art at RMIT.

## **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.

## **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.

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## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31st DECEMBER 2011

	Note	2011 \$	2010 \$
<b>REVENUE</b>			
Grant funding		173,246	282,364
Other Revenue		41,735	7,202
Interest Received		4,691	4,990
<b>TOTAL REVENUE</b>	<b>2</b>	<b>219,672</b>	<b>294,556</b>
<b>EXPENDITURE</b>			
Depreciation		294	562
Employee Benefit Expenses		140,584	122,521
Finance Costs		0	0
Infrastructure and Administration		19,323	22,079
Business Development		2,145	2,047
Marketing & Publications		8,232	9,319
Programs & Project		49,330	132,002
Other expense			1,612
<b>TOTAL EXPENDITURE</b>	<b>3</b>	<b>219,908</b>	<b>290,140</b>
<b>PROFIT (LOSS) BEFORE INCOME TAX ATTRIBUTABLE TO MEMBERS OF THE ENTITY</b>	<b>3</b>	<b>(236)</b>	<b>4,414</b>
		<b>0</b>	<b>0</b>
Income Tax			
<b>PROFIT (LOSS) AFTER INCOME TAX ATTRIBUTABLE TO MEMBERS OF THE ENTITY</b>		<b>(236)</b>	<b>4,414</b>
<b>OTHER COMPREHENSIVE INCOME</b>		<b>0</b>	<b>0</b>
<b>TOTAL COMPREHENSIVE INCOME( LOSS) FOR THE YEAR ATTRIBUTABLE TO MEMBERS OF THE ENTITY</b>		<b>(236)</b>	<b>4,402</b>

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## STATEMENT OF FINANCIAL POSITION

AS AT 31st DECEMBER 2011

	Note	2011 \$	2010 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	4	88,304	121,664
Trade and Other Receivables	5	7,738	166
Other Current Assets – Prepayments		2,592	2,482
<b>TOTAL CURRENT ASSETS</b>		<b>98,634</b>	<b>124,312</b>
 <b>NON-CURRENT ASSETS</b>			
Property, Plant & Equipment	6	0	294
<b>TOTAL NON-CURRENT ASSETS</b>		<b>0</b>	<b>294</b>
<b>TOTAL ASSETS</b>		<b>98,634</b>	<b>124,606</b>
 <b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	7	6,396	29,652
Unspent Grant funds carried forward		25,460	31,793
Short-term Provisions Payable	8	8,918	5,065
<b>TOTAL CURRENT LIABILITIES</b>		<b>40,774</b>	<b>66,510</b>
 <b>NON-CURRENT LIABILITIES</b>			
Long-term Provisions Payable	8	0	0
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>0</b>	<b>0</b>
<b>TOTAL LIABILITIES</b>		<b>40,774</b>	<b>66,510</b>
<b>NET ASSETS</b>		<b>57,860</b>	<b>58,096</b>
 <b>EQUITY</b>			
Retained Earnings		57,860	58,096
<b>TOTAL EQUITY</b>		<b>57,860</b>	<b>58,096</b>

# CULTURAL DEVELOPMENT NETWORK INCORPORATED

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## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31st DECEMBER 2011

	Retained Earnings	Total Equity
<b>2009</b>		
Balance at end of financial year	<u>53,682</u>	<u>53,682</u>
<b>2010</b>		
Profit (Loss) attributable to members	4,414	4,414
Balance at end of financial year	<u>58,096</u>	<u>58,096</u>
<b>2011</b>		
Profit (Loss) attributable to members	(236)	(236)
Balance at end of financial year	<u>57,860</u>	<u>57,860</u>

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31st DECEMBER 2011

	Note	2011 \$	2010 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating Grant Receipt		165,674	279,909
Other Revenue		41,735	44,270
Interest Received		4,691	4,990
Payments to Suppliers & Employees		(245,460)	(300,700)
<b>NET CASH GENERATED (USED) BY OPERATING ACTIVITIES</b>	<b>12</b>	<b>(333,360)</b>	<b>28,471</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of Property, Plant and Equipment		0	0
Proceeds from Sale of Assets			

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# CULTURAL DEVELOPMENT NETWORK INCORPORATED

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<b>NET CASH GENERATED (USED) BY INVESTING ACTIVITIES</b>		<b>0</b>	<b>0</b>
<b>NET INCREASE (DECREASE) IN CASH HELD</b>		<b>(333,360)</b>	<b>28,471</b>
Cash and Cash Equivalents at the beginning of the year		121,664	93,193
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>4</b>	<b>88,304</b>	<b>121,664</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st DECEMBER 2011

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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

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## **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.

## **Property, Plant and Equipment**

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

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# CULTURAL DEVELOPMENT NETWORK INCORPORATED

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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:

<b>Class of Asset</b>	<b>Depreciation Rate</b>	<b>Method</b>
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.

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

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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.

## **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.

# CULTURAL DEVELOPMENT NETWORK INCORPORATED

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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.

## **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

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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.

	2011 \$	2010 \$
<b>NOTE 2 REVENUE</b>		
<b>Grant income</b>		
Australia Council Triennial	60,000	66,500
Arts Victoria Triennial	54,493	53,528
City of Melbourne	14,803	14,435
DVC Generations	0	0
DHS	0	0
Vic Health	25,875	30,000
Arts Vic Project	10,075	19,925
Office of Disability	0	0

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Centre for Policy Studies Grant	0	0
<b>Sub total</b>	<b>173,246</b>	<b>184,388</b>
<b>Auspice Grants</b>		
Local Government	0	0
City of Melbourne – Regenerating conf	0	0
Commonwealth Government	0	97,976
<b>Sub total</b>	<b>0</b>	<b>97,976</b>
	<b>173,246</b>	<b>282,364</b>
<b>Grant funding income</b>		
<b>Other Revenue</b>		
- Memberships	240	471
- Conference	14,409	0
- Book Sales	598	5,559
- Sponsorship Sales	5,500	
- Partner Contributions and Other	20,988	1,172
	<b>41,735</b>	<b>7,202</b>
<b>Other Revenue</b>		
	<b>4,691</b>	<b>4,990</b>
<b>Interest received</b>		
	<b>219,672</b>	<b>294,556</b>
<b>TOTAL REVENUE</b>		

### NOTE 3 REVENUE AND EXPENSE ITEMS

#### Auditor's remuneration for

<b>Audit or review of financial statements</b>	<b>4,340</b>	<b>3,400</b>
<b>Other Services</b>	-	-
	<b>4,340</b>	<b>3,400</b>

#### Bad and doubtful debts

<b>Trade Receivables</b>	<b>0</b>	<b>0</b>
<b>Total bad and doubtful debts</b>	<b>0</b>	<b>0</b>

#### Rental expense on operating leases

<b>Operating Lease Minimum Lease Payment</b>	<b>0</b>	<b>0</b>
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<b>Significant Revenue and Expense items from prior year</b>	<b>2011 \$</b>	<b>2010 \$</b>
The following significant revenue and expense changes are relevant in explaining the financial performance [ Unfavourable in ( ) ]		
	<b>\$'000</b>	<b>\$'000</b>
<b>Revenue</b>		
<b>Grant Funding</b>	<b>(110)</b>	<b>(217)</b>
<b>Other Revenue</b>	<b>35</b>	<b>(82)</b>
	<b>(75)</b>	<b>(298)</b>
<b>Expenses</b>		
<b>Employees</b>	<b>(18)</b>	<b>(38)</b>
<b>Infrastructure and Administration</b>	<b>3</b>	<b>(5)</b>
<b>Business Development</b>	<b>-</b>	<b>(4)</b>
<b>Marketing &amp; Publications</b>	<b>1</b>	<b>(8)</b>
<b>Program Projects</b>	<b>83</b>	<b>(245)</b>
<b>Other</b>	<b>2</b>	<b>2</b>
	<b>71</b>	<b>(298)</b>
<b>Net profit (Loss)</b>	<b>(4)</b>	<b>(298)</b>

## 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	33
Cash at Bank	77,910	73,249
Investment Account	10,361	48,382
	<b>88,304</b>	<b>121,664</b>

## NOTE 5 TRADE AND OTHER RECEIVABLES

### Current

Trade Debtors	7,738	166
Less: Provision for Impairment of receivables	0	0

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<b>Total current trade and other receivables</b>	<b>7,738</b>	<b>166</b>
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## 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:-

	2011 \$	2010 \$
Provision for impairment		
Balance at 31st December 2009	0	0
Charge for year	0	0
Written off	0	0
Balance at 31st December 2010	0	0
Charge for year	0	0
Written off	0	0
Balance at 31st December 2011	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.

	<b>7,738</b>	<b>66,500</b>
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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.

	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
2011						
Trade and term receivables	7,738	0	5,126	345	1,895	372
Other receivables						

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Total	7,738	0	5,126			
2010						
Trade and term receivables	166	0	166	0	0	0
Other receivables						
Total	166	0	166	0	0	0

NOTE 6 PROPERTY, PLANT AND EQUIPMENT	2011 \$	2010 \$
Office Equipment	1,689	1,689
Less: Accumulated depreciation	(1,689)	(1,395)
<b>Total Office Equipment</b>	<b>0</b>	<b>294</b>
<b>Total Property, Plant and Equipment</b>	<b>0</b>	<b>294</b>

### Movements in Carrying Amounts

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

	Office Equipment	Total
<b>2009</b>		
<b>Carrying amount at end year</b>	<b>856</b>	<b>856</b>
<b>2010</b>		
Additions at cost	0	0
Disposals		
Depreciation Expense	(562)	(562)
<b>Carrying amount at end year</b>	<b>294</b>	<b>294</b>
<b>2011</b>		
Additions at cost	0	0
Disposals	0	0
Depreciation Expense	294	294
<b>Carrying amount at end year</b>	<b>0</b>	<b>0</b>

NOTE 7 TRADE AND OTHER PAYABLES	2011 \$	2010 \$
Trade Creditors	698	23,638
Sundry Creditors	5,698	6,014
	<b>6,396</b>	<b>29,652</b>

### NOTE 8 PROVISIONS

<b>Current Provisions</b>		
Staff Annual Leave	7,318	5,065
Long Service Leave	1,600	0
	<b>8,918</b>	<b>5,065</b>
<b>Non-current Provisions</b>		

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Long Service Leave	0	0
<b>TOTAL PROVISIONS</b>	<b>8,918</b>	<b>5,065</b>

## 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

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

	2011	2010
	\$	\$
Profit (Loss) for the year	(236)	4,402
Add back Loss on Sale Assets		
Add back non-cash items		
Depreciation	294	562

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Increase (Decrease) in Provisions	3,853	(2,427)
	<b>3,911</b>	<b>2,549</b>
<b>Changes in Assets and Liabilities</b>		
(Increase) Decrease in Prepayments	(110)	145
(Increase) Decrease in Trade & Other Receivables	(7,572)	36,348
Increase (Decrease) in Trade and Other Payables	(23,526)	17,330
Increase (Decrease) in Grants unspent and received in Advance	(6,333)	(27,901)
	<b>(33,360)</b>	<b>28,471</b>
<b>NET CASH GENERATED (USED) BY OPERATING ACTIVITIES</b>		

## 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:-

	2011	2010
	\$	\$
<b>Financial assets</b>		
Cash and cash equivalents	88,304	121,664
Loans and Receivables	7,738	166
	<b>96,042</b>	<b>121,830</b>
<b>Financial liabilities</b>		
Financial liabilities at amortised cost		
- Trade and other payables	6,396	29,652
- Grants unspent and in advance	25,460	31,753
	<b>31,856</b>	<b>61,405</b>

### 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

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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 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.

## Financial liability and financial asset maturity analysis

	Within 1 year		Over 1 year		Total	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
<b>Financial liabilities due for payment</b>						
Trade and other payables ( excluding employee benefit provisions and deferred income)	6	30			6	30
Grants unspent and in advance	25	32			25	32
<b>Total expected outflows</b>	<b>31</b>	<b>62</b>			<b>31</b>	<b>62</b>

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## Financial assets – cash flows realizable

Cash and cash equivalents	88	122	88	122
Trade and other receivables	-	-	-	-
<b>Total anticipated inflows</b>	<b>88</b>	<b>122</b>	<b>88</b>	<b>122</b>
<b>Net inflow ( outflow) on financial instruments</b>	<b>57</b>	<b>60</b>	<b>57</b>	<b>60</b>

### (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 2010				
+ or – 2% in interest rates	+/-	2,400	+/-	2,400
+ or - 10% in listed investments	+/-	0	+/-	0
Year ended 31st December 2011				
+ or – 2% in interest rates	+/-	1,800	+/-	1,800
+ or - 10% in listed investments	+/-	0	+/-	0

### (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

2011

2010

# CULTURAL DEVELOPMENT NETWORK INCORPORATED

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	\$	\$
The total of remuneration paid to key management personnel (KMP) of the entity during the year is as follows:		
Short-term employee benefits	93,850	96,299
Post-employment benefits	8,447	8,667
Other long-term benefits	-	-
Termination benefits	<u>102,297</u>	<u>104,966</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

## STATEMENT BY MEMBERS OF THE COMMITTEE

In the opinion of the committee, the financial report as set out on pages 6 to 27:

- 1 Presents fairly the financial position of Cultural Development Network Incorporated as at 31st December 2011 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: -



Sues Beal (Committee Chair)

Dated this 24th day of March 2012

# CULTURAL DEVELOPMENT NETWORK INCORPORATED

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## 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 2011, 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

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## 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 31<sup>st</sup> December 2011 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** 21st day of March 2012