

Regional Arts NSW Ltd

(a company limited by guarantee)

ABN 64 001 382 690

and Controlled Entities

Annual Report 31 December 2007



**Advocacy
Capacity Building
Communication
Support**

For arts and cultural development activities that build positive futures for regional communities across New South Wales.

Patron The Hon Justice Ian Gzell

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Directors' Report

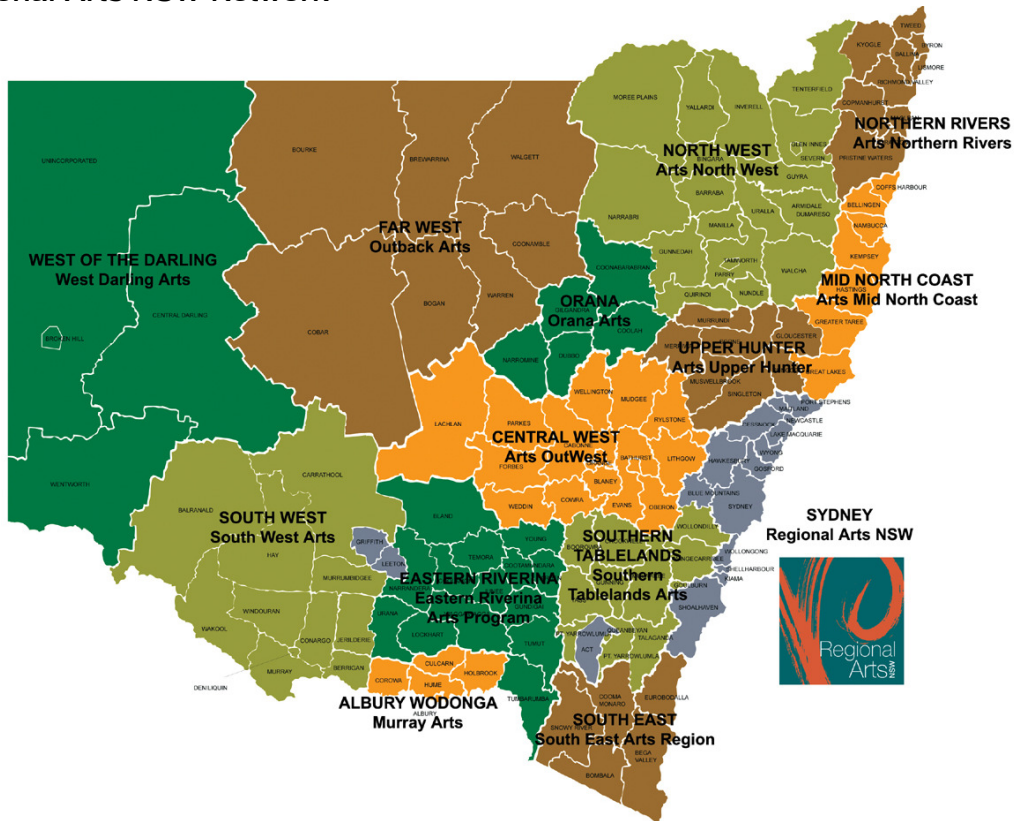
Regional Arts NSW Ltd and Controlled Entities

Your directors submit the financial report for the consolidated entity consisting of Regional Arts NSW Ltd and the entities it controlled at the end of, or during the year ended 31 December 2007.

Principal activities

Regional Arts NSW is the peak body for regional arts activity in NSW. Based in Sydney, it provides a range of services and represents the state-wide network of independent Regional Arts Boards.

The Regional Arts NSW Network



The Regional Arts Network in NSW enables people who live in the regions to manage their own arts and cultural priorities. It provides a local voice to tell local stories.

Directors' Report

Regional Arts NSW Ltd and Controlled Entities

Operating result

	Note	2007 \$	2006 \$
Operating (deficit)/surplus of the economic entity	19	(3,011)	10,561
(Deficit)/surplus attributable to the members of Regional Arts NSW Ltd		(3,011)	10,561

Dividends

No dividend was declared or paid by the directors during the year.

The company's constitution prohibits the declaration or payment of dividends.

Our people

Elizabeth Rogers	Chief Executive Officer
Annette Eassie	Funding Manager
James Wu	Finance Manager
Rachael Vincent	Communications Manager
Samantha Chester	Funding Officer
Lisa Andersen	Audience Development Officer (contract position completed 23 March, 2007)
Hannah Saunders	Administration Officer (resigned 18 May, 2007)
Kate Reynolds	Administration Officer (appointed 23 May, 2007)
Bryoni Trezise	Communications Coordinator (contract position completed 16 February, 2007)
Matthew Stewart	Special Projects Officer (casual)

Directors' Report

Regional Arts NSW Ltd and Controlled Entities

Our Board 2007

Our Board of Directors is made up of a representative from each of the regions plus up to five co-opted Directors.

Meg Larkin MBA	Chair	Cultural & Community Services Manager, Tamworth Regional Council Arts North West Appointed 24 May 1997
Phillip Silver	Deputy Chair	Mayor of Ballina Shire Council Arts Northern Rivers Appointed 9 December 2005
Tony Kabrovski BCom (accounting) Member ICAA	Treasurer	Chartered Accountant. Manager, HLB Mann Judd Co-opted Appointed 28 April 2007
Steve Baldwin BA Tourism (Canberra)		Tourism Development Manager Coonamble Shire Council Outback Arts Appointed 28 April 2007
Aileen Bell		Visitor Services Manager Warrumbungle National Park Orana Arts Appointed 8 May 2003
Daniel Bolger BAgr Ec (Sydney) GradDip. Public Policy (ANU) M Political Communication (Canberra)		Director BYTEXT Media Management Co-opted Appointed 11 August 2007
Rebekah Butler BVisual Arts (Monash) GradDip Art Hist.& Curatorship		Manager Broken Hill Art Gallery West Darling Arts Appointed 9 December 2005 Resigned 11 August 2007
David Epstein BArch, MArch (Syd), FRAIA		Principal D/E Architects Director Ashford Australia P/L South East Arts Region Appointed 18 September 2004
Kym Fuller		Manager Community & Economic Development, Central Darling Shire Council West Darling Arts Appointed 8 December 2007

Directors' Report

Regional Arts NSW Ltd and Controlled Entities

Our Board 2007 continued

Ray Goodlass

BA, M Litt (UNE)

National Tertiary Education Union
Eastern Riverina Arts Program
Appointed 1 September 2005

Roger Hale

B Ec (Macquarie)

M Ed (Adult Education) UTS

Campus Director, Newcastle Campuses,
TAFE Hunter Institute
Arts Upper Hunter
Appointed 10 October 2002

Tim Kelly

Dip Arts (A Mackie CAE)

GradDip Art Gallery M'Ment (COFA)

Managing Editor
Blayney Chronicle
Arts OutWest
Appointed 1 May 2004
Resigned 28 September 2007

Jane Longhurst

BA

Marketing Manager
The Flying Fruit Fly Circus
Murray Arts
Appointed 28 April 2006
Resigned 8 December 2007

Janice McGilchrist

Presenter, ABC Central West & Western
Plains Local Radio
Arts OutWest
Appointed 8 December 2007

Stephen O'Connell

BMus (Education)

Associate Music Aust(Saxophone)

Director, Goulburn Regional
Conservatorium
Southern Tablelands Arts
Appointed 28 April 2007

Mave Richardson PSM

Councillor, Greater Taree City Council
Arts Mid North Coast
Appointed 1 September 2005

Marise Sullivan

LLB Law

BSc Computer Science

Solicitor, Middletons Lawyers, Sydney
Co-opted
Appointed 11 August 2007

Nichole Varley

BApp Sc (agriculture)

National Livestock Market Reporter,
Meat & Livestock Aust.
South West Arts
Appointed 28 April 2007

Directors' Report

Regional Arts NSW Ltd and Controlled Entities

Our Board 2007 continued

The following Directors resigned at the 2007 AGM and the Board acknowledges their contribution to the Company

Penny Miles
Anne Rocca
Sue Smith
Gregory Will
Tim Wilson

Board Meetings

The full Board met in Sydney on 28 April, 11 August and 8 December 2007. The Annual General Meeting was held in Sydney on 28 April, prior to the EGM.

The following table sets out the numbers of meetings of the company's directors held during the year ended 31 December 2007 and the number of meetings attended by each director.

	Directors meetings held whilst a director	Directors meetings attended
Steven Baldwin	3	3
Aileen Bell	3	3
Daniel Bolger	2	1
Rebekah Butler	1	1
David Epstein	3	3
Kym Fuller	1	-
Ray Goodlass	3	3
Roger Hale	3	3
Meg Larkin	3	3
Jane Longhurst	2	2
Tony Kabrovski	3	3
Tim Kelly	2	2
Janice McGilchrist	1	1
Penny Miles	2	-
Stephen O'Connell	3	3
Mave Richardson	3	3
Ann Rocca	-	-
Phillip Silver	3	3
Suzanne Smith	-	-
Marise Sullivan	2	2
Nichole Varley	3	3
Gregory Will	-	-
Tim Wilson	-	-

Directors' Report

Regional Arts NSW Ltd and Controlled Entities

From the Chair

2007 was a full and progressive year for Regional Arts NSW. The Board welcomed Elizabeth Rogers as its new Chief Executive Officer, appointed in December 2006. Elizabeth quickly settled in to the position and undertook a review of the Strategic Plan, focusing the work for the year into developing the main service areas provided by RANSW, of advocacy, capacity building, communications and support.

As part of her familiarisation with the organisation, Elizabeth travelled extensively throughout NSW, meeting and interacting with all of the autonomous Regional Arts Boards that make up the Regional Arts NSW network. The Regional Arts Boards were very pleased to welcome Elizabeth and as a result of her visits were able, throughout the year, to make good use of the services that the state body offers.

Arts NSW continued to provide core funding for Regional Arts NSW. The Board acknowledges with thanks, an increase of \$30,000 for the year to assist in maintaining services.

In 2007 there were significant changes in government. A new government was elected in NSW in March 2007. Shortly after election the government commenced work on a new state plan. Regional Arts NSW made a submission to the state plan, and many board members and regional arts development officers attended consultations throughout the year, both in the development of the state plan and in the subsequent regional and rural task force that was established to consider the needs of residents living outside the major metropolitan areas.

Regional Arts NSW also made a submission to the Minister for the Arts requesting an increase in funding for Regional Arts Boards across the state, and took part in consultations for a review into cultural grants, instigated by the Minister.

As Chair, I advocated, with the Chief Executive Officer, in many forums, including meeting with the Country Labor Caucus, and individual members of the state government.

Regional Arts Australia continued to advocate for arts funding and development at a national level. I completed my term as President of that organisation in May 2007, but continued as a Director, participating in lobbying and program development. Significant work was undertaken in the lead up to the election of the new government in December 2007.

The Regional Arts NSW Board met three times during the year. The Executive met an additional three times. Of particular relevance was a full day Board Masterclass conducted by the Australian Business Arts Foundation (ABaF).

There were many changes to the Regional Arts NSW Board during the year. In particular I would like to acknowledge the contribution of Ann Rocca who retired from the Board at the last AGM. She had been a director since 1999 and served on the executive as Deputy Chair. I wish to thank all Board members for their excellent contribution during the year and for their ongoing passion for the development of arts and cultural opportunities for the people of regional and rural NSW.

MEG LARKIN

Chair

Directors' Report

Regional Arts NSW Ltd and Controlled Entities

From the CEO

2007 has been a busy and productive year for Regional Arts NSW. As a new CEO, I must acknowledge the wonderful support that I have had from the staff, the Board and the RADOs, EOs and project staff from all of the regional arts boards across the state. After experiencing a two day RADO Network meeting, the Christmas Party and a board meeting in my first week, the pace was set for 2007.

One of my first tasks was to improve the working conditions for the staff. This culminated in a fairly major renovation with a new larger kitchen, creation of a central service area, removal and disposal of 5 truck - loads of rubbish and broken furniture, replacement of some worn out office furniture including everyone's chairs and an IT equipment upgrade. A number of collections that we were storing were transferred to more appropriate agencies including the National Library of Australia, the State Library of NSW, the National Film and Sound Archive and the Sydney Conservatorium of Music. New space was created to meet our current storage needs and a regular annual maintenance program has been introduced.

Having put the house in order, the next task was to meet the people. My goal was to attend a meeting of each of the thirteen regional boards in the first six months. I wanted to have greater contact with the people who live and work in the regions rather than simply meeting a representative at a Board meeting three times a year. I felt that I could not fairly represent the Network's issues and challenges from an office in Sydney. I want to thank everyone I met during my travels this year for your warm welcome and hospitality. Artists, arts workers, volunteers, council staff, councillors, participants and audiences are truly dedicated to arts and cultural development in their areas. In all four corners of the state there are amazing projects bringing communities together and making them better places to live, despite the drought, the distances, and now for some, the floods.

As well as getting out to the regions, it was also important to continue build relationships with the other peak bodies and kindred organisations with which we share common goals for regional issues. Our ongoing relationships with government funding bodies also needed to be sustained. In this new role I have renewed acquaintance with former colleagues and met many new ones. In addition, the opportunity to engage with my colleagues from other states on the Regional Arts Australia Board has provided professional support and an insight into national issues.

The review of our strategic plan with the board provided clarity for the future directions for RANSW. This year has been focussed on defining all our activities to meet these strategic objectives and this report gives an overview of our operations against these goals.

Finally I would like to acknowledge the incredible support given to me by our Chair, Meg Larkin during my first year. She has made many trips to Sydney to accompany me to meetings and functions, answered innumerable phone calls and has been bombarded by e-mails as I have been learning 'on the job'. Her experience, sound advice and extensive knowledge have provided me with vital guidance throughout the year.

ELIZABETH ROGERS
Chief Executive Officer

Directors' Report

Regional Arts NSW Ltd and Controlled Entities

Review of operations

Advocacy

RANSW continued to develop new and existing relationships with other industry sector and government bodies by attending meetings, functions, presentations and conferences with organisations that included CCD NSW, Museums Australia NSW, LGSA, Canberra Arts Marketing, Museums and Galleries NSW, Arts on Tour, Regional Conservatoriums NSW, NSW Regional Libraries and Tourism NSW.

At a state government level, a number of meetings were held throughout the year with various officers from Arts NSW including a briefing session with the then Director-General, DASR, Mr Bob Adby. We submitted a budget bid to the Minister for the Arts, the Hon. Frank Sartor MP on behalf of the Network requesting increased funding for each of the Regional Arts Boards (RABs), provision for funding for two new Regional Arts Boards (RABs) to complete coverage of the state and for an increase in the Country Arts Support Program (CASP) funding, demonstrating where these programs delivered the objectives of the NSW State Plan. The Chair and CEO also met with the Country Labor MPs and the Speaker of the House, Richard Torbay to brief them of our current activities in regional NSW and to request support for the budget bid.

RANSW was invited to participate at the Premier's Stakeholders Meeting to give feedback to the NSW State Plan and to contribute to the Review of Cultural Grants through an interview which was followed up with a written submission.

The Chair and CEO continued to serve on the Board of the national body, Regional Arts Australia and contributed to the Regional Arts Fund Review, the national communications strategy, the Creative Volunteering program and the federal election advocacy and lobbying program for support for the continuation of the Regional Arts Fund (RAF). As well, there were meetings with program staff at the Department of the Environment, Water, Heritage and the Arts, and the Australia Council.

Capacity Building

Funding Programs

RANSW continued to administer two grants programs for supporting the arts in regional NSW, the NSW Government's Country Arts Support Program (CASP) and the Australian Government's Regional Arts Fund (RAF).

Directors' Report

Regional Arts NSW Ltd and Controlled Entities

Review of operations continued

1. Country Arts Support Program and Prop Ups

CASP is an annual small grants program that supports community cultural development in regional NSW. Applications close in mid-February and successful applications are notified in late March. The funding pool is divided evenly across the 14 regions, 13 RABs and one covering local government areas that do not contribute to a RAB. Applications are assessed by regional panels. In 2007, 148 projects totalling \$217,322 were approved for a diverse range of arts activities which included opera training, hip hop dance, digital film making, creating salt-fired pottery, jewellery making and crime writing. The funds available for this program continue to fall well short of the demand and this year 235 applications were received requesting a total amount of \$482,934, with 32% being first time applicants.

The CASP also includes a limited amount for Prop Ups (quick response grants) which provides assistance for performing arts projects, such as a touring production, that become available at short notice and outside the annual funding round. Although some regions prefer to allocate their Prop Ups allocation to meet the high demand for CASP funds, 8 projects totalling \$4,121 were funded in 2007.

2. Regional Arts Fund : Community Grants and Quick Response Grants

On 1 July 2007, the RAF entered into its final year of a four year funding agreement with the Department of the Environment, Water, Heritage and the Arts. The Community Grants program is designed to support arts and cultural activities that are sustainable, have long term cultural, economic and social benefits, develop partnerships and cultural networks and provide skills development opportunities. Multi year projects can be funded under this program.

During 2007 there were 26 projects in progress, including the continuation of three 3 year projects and two 2 year projects. The 21 new projects for delivery in 2007 attracted funding of \$339,168 while the 5 ongoing projects were funded for \$92,540.

The funding round closed in August for projects commencing in 2008. As it is the last year of the current funding agreement, applicants to this round could only apply for one year of funding. Of the 46 applications received, 25 new projects were funded totalling \$380,800.

The RAF also delivers the Quick Response Grants program for which funds are allocated in each quarter. In 2007 there was such a high demand that permission was gained from Department of the Environment, Water, Heritage and the Arts to increase the available amount of funding from \$7,500 to \$10,000 per quarter from April 2007. This fund supports professional development for artists or skills or arts development for projects. This year, 41 projects totalling \$45,863 were funded.

Directors' Report

Regional Arts NSW Ltd and Controlled Entities

Review of operations continued

Professional Development: *Creative Volunteering – No Limits* workshops

The Creative Volunteering program is a series of eight business skills workshops designed for arts and community workers and volunteers across regional Australia. The workshops are nationally recognised training, funded by the Australian Government through the Regional Arts Fund. The full day workshops are delivered in each state by the peak arts body, in conjunction with the Registered Training Organisation (RTO), Community Cultural Development NSW. As workshops are heavily subsidised by the Australian Government's Regional Arts Fund, the cost to participants is only \$25 per workshop. The current modules are *Good Governance, The People Factor, Plan & Program Events, Undertake Marketing, Business Planning, Network Within Communities, Develop Funds & Resources*, and *Work With Collections*. This program is managed at RANSW by our Administration Officer.

Regional Arts NSW has delivered an average of 20 workshops per financial year under the current four year funding agreement. In the period from 1 January – 31 December 2007, 19 workshops were delivered throughout regional and rural NSW. There were a total of 212 participants for the 19 workshops in 2007. Feedback has been overwhelmingly positive, with many participants gaining new skills and applying these to their organisation or project.

Professional Development: Regional Board Development Masterclasses

Arts NSW authorised RANSW to use some unexpended project funds to deliver a series of Board Development Masterclasses in association with the Australia Business Arts Foundation (ABAF) to Regional Arts Boards across the state. There was sufficient funding for 6 regional masterclasses plus one in Sydney for RANSW directors. Masterclasses were delivered in Dubbo, Singleton, Orange, Albury and Ballina with the sixth scheduled for delivery in Merimbula in February, 2008. The topics covered included the role of the board, legal and financial responsibilities, conducting effective meetings, strategic thinks, income generation and measuring performance.

The opportunity to deliver these masterclasses in regional locations enabled a great number of volunteer arts board members to access training to enhance their knowledge of board responsibilities. In some areas they were attended by Chairs and Executive Directors of other arts organisations as well as staff and board members from regional arts boards. In a number of cases, those attending also had positions on other local arts boards, which enabled the knowledge gained to permeate beyond the boards represented at the masterclass. Around 90% of the attendees rated the topics 'extremely useful' or 'very useful' in the returned evaluation forms.

Directors' Report

Regional Arts NSW Ltd and Controlled Entities

Review of operations continued

Professional Development: Digital Photography Workshop

Following a request from a regional project officer RANSW was able to provide a special workshop on the Effective Use of a Digital Camera for Arts Organisations, following a regional network meeting in Sydney. This workshop was attended by regional staff members who are responsible for communications in their organisation. The half day workshop covered technical requirements for print reproduction, use of lighting, 'set-up' shots and photographing art works as well as providing detailed technical information about using Photoshop. With one exception, the participants were extremely positive about the day, which had the additional benefit of building relationships between some of the younger regional staff.

Funding Development: Targeted Communities

This project is a RAF Recipient Initiated Project and aims to increase the number and quality of grants applications submitted by communities that currently do not access the RAF through building their capacity to be competitive. This project is managed by the Funding Manager.

Through researching the funding history of RAF and in consultation with the regional arts Network, a number of groups were identified which would welcome and benefit from customised assistance. In 2007 this project supported a three day professional development program in partnership with Arts Mid North Coast for the South West Rocks Community. In partnership with Arts Northern Rivers, a three year strategic plan was developed for the Village Players at Evans Head based on two facilitated strategic planning sessions.

RANSW partnered with Arts Northern Rivers and the Richmond Valley Council to support a six month mentorship for the Jambama Arts Shed in Casino. The mentor, Arts Northern Rivers Visual Arts Coordinator, is to assist with the identification of suitable funding programs, skills development in writing grant applications, and partnering with gallery owners or experienced curators to assist with the business and marketing development of a new gallery.

The fourth project commenced in 2007 is a partnership between RANSW and Boolarng Aboriginal Art and Culture Studio in Gerringong to research and develop a process and procedure for applying for grants that is more appropriate for and culturally sensitive to Aboriginal communities.

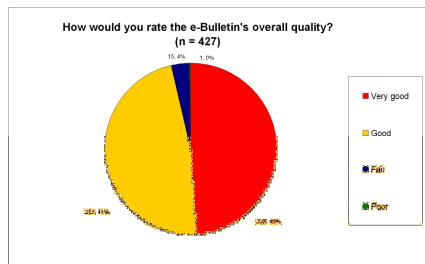
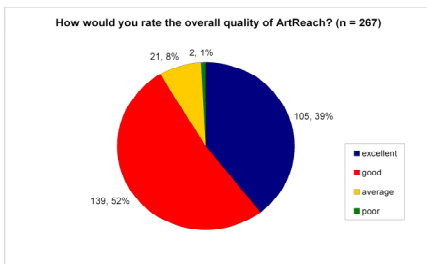
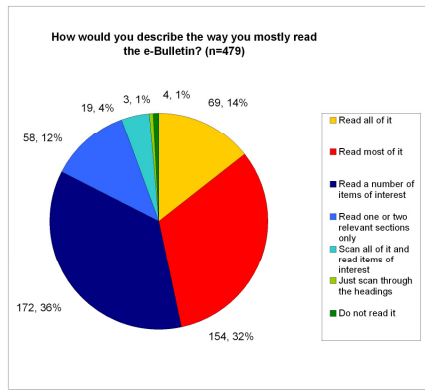
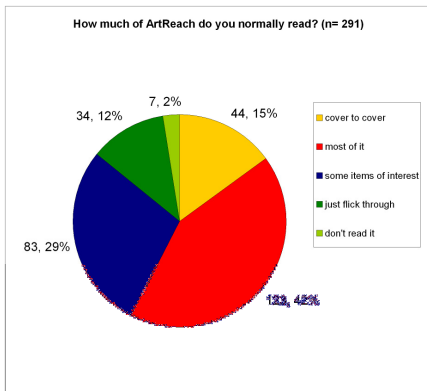
Communications and Marketing

During 2007 we undertook evaluations of two of our key communications vehicles, *Art Reach*, a triennially produced magazine containing features, articles and news about events and projects taking place in regional NSW and the e-bulletin, a monthly e-mailed newsletter. Feedback received from readers of both publications indicated that there was a high level of satisfaction with the quality with 91% rating *ArtReach* as 'excellent' or 'good' and 96% rating the e-bulletin as 'very good' or 'good'. 57% of *ArtReach* readers indicated that they either read the magazine from 'cover to cover' or 'most of it' while 46% of e-bulletin readers read 'all' or 'most of it' while a further 36% read a number of items of interest.

Directors' Report

Regional Arts NSW Ltd and Controlled Entities

Review of operations continued



ArtReach is distributed by mail to individuals, arts organisations, libraries, funding bodies, regional arts boards and kindred organisations. Around 3,000 copies of each edition are distributed. Key features were published on Aboriginal arts in the west, infrastructure and accessibility as well as stories on a range of topics that reflected the activities taking place across the state. We took on board some of the comments from the survey and introduced some design changes to the magazine during the year, including changing the font, introducing full colour, changing the paper stock for better reproduction of images. We introduced a themed issue for the Summer 2007 – 08 issue with a focus on music.

Twelve issues of the monthly e-bulletin were distributed to a mailing list of over 3,000 subscribers. Information distributed via the e-bulletin includes highlight events, project reports, 'what's on', general sector and RANSW news items, workshops, seminars, conferences, training opportunities, grants, prizes and resources. The sections of the e-bulletin that the subscribers rated as having the highest level of interest were those that presented opportunities or sources of funding, while more generally they subscribe to stay in touch with the arts generally in regional NSW. The e-bulletin provides a current and comprehensive overview of arts and cultural activity across regional NSW and the survey indicates that around 50% forward all or parts of the e-bulletin to others and around 22% use items from the e-bulletin in their own newsletters. Using a multiplier figure derived from the survey it is estimated that around 30,000 people receive material from the RANSW e-bulletin in some form.

Traffic to the website continues to be high with an average of 3,000 people visiting the site each month. The most accessed pages are the news index, grants, and e-bulletins. PDFs of our documents are available on the website with the two research documents, *Quality of Light*, *Quality of Life* and *Quotes, Stats and Facts* having the highest number of downloads, 4,103 and 3,193 respectively, followed by articles from *ArtReach*.

Directors' Report

Regional Arts NSW Ltd and Controlled Entities

Review of operations continued

With the increasing use of video material being viewed over the internet, we took a camera crew to the opening of the Cootamundra Arts Centre in September to record this event as a model for future recording of significant regional events. The material was edited into a 3 minute high quality DVD and hosted on the MPTV site with links from the RANSW site. The Arts Centre was opened by the Director General of the Department of Arts, Sport and Recreation, Mr Bob Adby and was attended by the federal member for the Riverina, Kay Hull; the state member for Burrinjuck, Katrina Hodgkinson; the Mayor of Cootamundra, Paul Braybrook; the Director of the Centre, Isobel Scott and many of the local community. A media release was sent out from RANSW and the link to the footage was emailed to those attending. This produced 310 views of the video and raised the profile of the Arts Centre as a case study for a regional community-initiated infrastructure development.

The communications program at RANSW continues to issue media releases about events of significant interest such as the launch of the Broken Hill research project report, regional councils' success at the LGSA cultural Awards, the Youth Encouragement Award at the Country Energy Art prize and the awarding of the ARC Linkages Project funding which have been picked up by state and regional media as well as a number of national on-line arts news providers. During the year we were approached by various media seeking our expertise, contacts and ideas for the development of stories including ABC TV's Sunday Arts program and Artists At Work; ABC Local Radio's Country Hour; Film Australia; the national community radio show, Arts Alive; numerous regional newspapers; regional ABC radio and commercial radio stations as well as the online arts media: Arts Hub, fuel4arts.com, State of the Arts, The Program, Creative Economy Online, and the Australian Government's Culture and Recreation Portal. Much of this contact led to the publication or broadcast of stories or interviews with RANSW staff or staff in the RANSW network or the publication of stories and links to our publications by other online arts media.

RANSW continued to participate in the ongoing development of the RAA national marketing strategy and NSW stories featured strongly in the new bi-monthly national RAA e-news service and in the national Pay TV arts show, Heartland, developed by Ovation in consultation with RAA.

The Communications Manager continued to supply expert advice on a range of communications and promotions topics - from publicity to e-Bulletin and website development - by people working in the arts in regional and rural NSW.

It became evident that there was a strong need for the production of some marketing collateral to support the grants programs and to provide an organisational profile for RANSW in the light of the revised strategic plan. Three generic DL brochures were written, designed and printed for use at conferences, meetings and trade fairs. Additional copies were distributed to the regional arts boards to assist them in answering queries about our services. The brochures were also produced as PDF and loaded on the web site.

Directors' Report

Regional Arts NSW Ltd and Controlled Entities

Review of operations continued

Support and Services

Financial Services

RANSW provides accounting and tax services, group insurance policies, fleet management and professional advice for the regional Network. In 2007 we lodged FBT returns for 5 regional boards, provided MYOB accounting software support for 2 boards and ongoing advice on various accounting and tax issues. We provided fleet management services for 7 vehicles.

We also undertook a comprehensive review of all group insurance policies and negotiated and managed new group public liability insurance that now covers 61 regional arts organisations. In addition we manage group policies for association liability insurance for all regional arts boards, volunteers' personal accident and sickness insurance for 81 regional arts entities, property insurance for 7 regions and motor vehicle insurance for 9 vehicles. These group policies provide substantial savings for the participating organisations.

A presentation of current insurance issues and procedures was made to the regional staff attending the December Network Meeting.

State – wide Database Project

RANSW undertook to research and develop a centralised internal contact and grant management system to replace a number of non-connected old technology data bases and to streamline grants processes, improve access to information and facilitate comprehensive reporting.

Following a demonstration to the Board and regional staff members in 2007, it was agreed to undertake further development of the RANSW intranet based system to expand this into a web-based state wide resource that would enable all users to access the same information at any location where there is internet access.

The system has since undergone considerable adaptation during 2007. Following a research period into the needs of each RAB we supplied three boards, STARTS, SEARS and West Darling Arts with a demonstration copy of the software for trial at a local level. All the information gathered through this research was fed back to the developers for appropriate adjustments to be made. Furthermore, through the ABaF Advice Bank project, RANSW was able to gain the pro-bono services of Peter McNally, partner at KPMG and Jared Taylor from NAB, both of whom are highly experienced in this type of project. They reviewed the project to date with regard to the proposed technology, software, security, cost and research processes and have agreed to test drive the security of the system prior to it going live.

Directors' Report

Regional Arts NSW Ltd and Controlled Entities

Review of operations continued

A risk assessment review has been undertaken and a privacy and security policy has been drafted and reviewed by our advisors and the lawyer on our Board and is now ready for adoption by the Board.

The final phases of the project will be rolled out in 2008 with the following outcomes:

- All RABs will have access to information to customer data across the state.
- This information will be in a common format from which state wide, regional and local reports can be drawn.
- This information will assist in informing accurate marketing initiatives that will increase attendance and participation in arts and cultural events across regional NSW.
- As the system is web based, RADOs will not be restricted to using it in their offices and new information and changes to existing information can be made on the road.
- The system is completely researched and designed to meet the specific needs of the Network.
- There is in place provision for upgrades as both technology and needs change.

Regional Travel

The CEO has travelled extensively throughout NSW this year to attend regional board meetings, meet with regional councils and arts organisations and to attend events to provide support for the regional staff and regional arts boards.

- Arts Mid North Coast: Taree & Port Macquarie in March.
- Arts Northern Rivers: Ballina, Mullumbimby, Alstonville, Byron Bay in May; Ballina, Alstonville, Byron Bay in October.
- Arts OutWest: Forbes & Bathurst in May; Cowra & Orange in Nov; Cowra in late Nov.
- Arts Upper Hunter: Scone, Aberdeen, Murrurundi, Denman in June
- ERAP: Wagga Wagga in May, Cootamundra & Wagga Wagga in September; Lockhart, Coolamon, Temora and Wagga Wagga in November.
- Outback Arts: Dubbo in February.
- Murray Arts: Albury in February and December.
- North West Arts: Tamworth, Armidale, Glenn Innes, Inverell, Bingara, Baraba in May; Armidale in November.
- Orana Arts: Dubbo in March.
- SEARS: Merimbula in July; Bega in August.
- STARTS: Goulburn in May.
- South West Arts: Deniliquin in July.
- West Darling Arts: Broken Hill in April; Wentworth, Broken Hill, Tiboburra, White Cliffs, Wilcannia & Menindee in July; Wentworth in August.

Staff members also travelled to the regions to support projects.

- The Funding Manager travelled to Coffs Harbour in March; Yass in May; Evans Head, Coraki and Casino in June; Bathurst in September & November; Gerringong in November; Singleton in November and Casino and Evans Head in November.
- The Administration Officer supported the CEO at the NSW Libraries Conference in Merimbula in July.

Directors' Report

Regional Arts NSW Ltd and Controlled Entities

Review of operations continued

Outside the Network

The CEO also travelled to Kiama in April and Griffith in May for discussions regarding the formation of the final two regional arts boards that would complete the NSW Network. The Funding Manager travelled to Wollongong in June to participate in the Illawarra Grants Expo.

National Travel

CEO travelled to a number of RAA meetings held in Melbourne, Hobart, Adelaide and Sydney and was a guest of Queensland Arts Council at their Regional Forum held in Mackay. Both the Funding Manager and the Administration Officer also travelled to Adelaide and Melbourne for meetings concerning their respective responsibilities, RAF and Creative Volunteering. The Communications Manager participated in the Regional Promoters Network meetings in Sydney and Melbourne and represented RANSW at the Regional Marketing Conference in Hobart.

Audience Development Program: Broken Hill Research Project

The final stage of the 3 year audience development project led by Lisa Andersen was completed with the launch of the Arts and Cultural Industry Research Report in Broken Hill on 4 April. This project was made possible with funding from the Australia Council and the Broken Hill phase was supported by West Darling Arts, Far Western Region Development Board, NSW DSRD, UTS and the University of Adelaide. The report entitled *Quality of Light, Quality of Life* was positively received by the stakeholders in Broken Hill and a number of the recommendations from the report are now being implemented. The report was made available for download on the RANSW website and attracted significant interest with 4,103 copies of the report being downloaded.

Desk Top Research: *Quotes, Stats and Facts*

The Communications Coordinator undertook a desk top research project during her 3 month contract period. The project surveyed existing data on the social and economic impact of arts practice with national statistics on participation in the arts and cultural industries and data on cultural funding awarded to regional and metropolitan areas. The information was compiled to show how increased investment in the arts in regional areas can impact the viability and sustainability of those areas.

The document reviewed social and economic impacts, participation in the arts, regional profiles, cultural funding and funding to the regions. The document was subsequently published on the RANSW website where 3,193 copies were downloaded.

Directors' Report

Regional Arts NSW Ltd and Controlled Entities

Review of operations continued

ARC Linkage Grant: Cultural Asset Mapping

RANSW partnered with the University of Technology, Sydney, the University of Wollongong, the University of New England and 10 other community partners for a successful ARC Linkages Project announced on September 26. The \$2.5 million project 'Cultural Asset Mapping for Planning and Development in Regional Australia' will run from 2008 to 2012.

At a time when regional societies are changing markedly, this project examines ways many areas in Australia might revitalise their economies and communities by engaging in new approaches to the arts and creative activity. For consumers and producers alike, many regions in Australia offer opportunities for enhanced cultural activity and productivity and quality of life. But these opportunities have not yet been thoroughly observed, described or analysed. The project addresses this serious gap in knowledge and will give policy-makers, planners and communities crucial information they need to decide their futures.

The project aims to:

- Document and analyse the cultural assets of a selected set of regions using a range of auditing and cultural mapping techniques.
- Identify barriers to more integrated and effective development of the cultural industries and arts in regions through qualitative research and the active engagement of regional stakeholders in the research process.
- Build long lasting capacity for expansion and effective stewardship of cultural activities via extensive knowledge transfer, policy development and implementation.
- Contribute significantly to the international understanding of the relationship between cultural industries/arts, regional development and cultural policy, by reflecting on existing literatures, advancing research techniques and reporting on substantive empirical research.

Collaborating partner organisations include the Australia Council for the Arts, Local Government & Shires Association of NSW, Canberra Arts Marketing, the cities of Wollongong, Canberra, Albury-Wodonga and Armidale, and shires of Uralla and the Central Darling.

Network Meetings

There were three, 2 day Network meetings for regional arts board staff members held 26 & 27 April, 27 & 28 August and 6 & 7 December. The April and December meetings coincided with RANSW board meetings and the August meeting was held at a separate time. The meetings were held at Accessible Arts NSW in April, the Australia Council in August and Tourism NSW in December. As well as giving the RADOs an opportunity to share information and to discuss issues affecting them at a regional level, the meetings were used to invite guests from kindred organisations to present to the group. Among those organisations were presentations and Q & A sessions from Arts NSW, LGSA, Museums and Galleries NSW, Tourism NSW, the Australia Council, Artsupport Australia and the Dept of Sport and Recreation. The meetings provide a forum for the sharing of information between the state and regional bodies and to inform RANSW of regional issues that required action at a state level.

A national RADO meeting was held in Adelaide on 11 & 12 October attended by a number of RADOs from NSW and the CEO of RANSW together with RADOs and Project Officers from the other states. The meeting discussed a number of matters to feed back in the Regional Arts Australia national agenda as well as giving an opportunity for networking and information exchange for the attendees from all states.

Directors' Report

Regional Arts NSW Ltd and Controlled Entities

Review of operations continued

Management and Governance

Funding Matters

In January, The NSW Minister for the Arts advised that RANSW would received an increase in core funding to bring the amount to \$330,000pa and the CASP would continue to receive an annual allocation of \$200,000.

The following grant applications and acquittals were submitted to the funding bodies during 2007. The Arts NSW grant for 2006 Core Funding and CASP Grant was acquitted 31 May 2007.

Arts NSW advised of the following outstanding acquittals of non-core grants:

- Two had small surplus balances from grants to cover conference travel and the outstanding money was returned.
- In consultation with Outback Arts, RANSW acquitted an outstanding Arts NSW grant for the *Willy Willy* project dating back to December 03 that was under the auspice of RANSW. OA returned unexpended funds of \$15,423.95 to Arts NSW. It was noted that due to changing personnel in both organisations this acquittal was compiled from existing documentation without any first hand knowledge of the project. The acquittal was completed 2 May.
- An Arts NSW grant from 2001 for \$19,000 for a Regional Training Project had been only partially spent despite a number of extensions being granted. There was an outstanding amount of \$11,091. A further request was made to Arts NSW to retain these funds for the original purpose of the grant. This was approved on 27 June, with the extension granted until 31 March, 2008. These funds are now being expended for the Board Development Masterclasses with the final to be presented in Merimbula in February 2008.

An application was made to Arts NSW for RANSW 2008 Core Funding and funding for CASP Grant on 1 June. We requested \$340,000 core funding and \$300,000 CASP allocation.

The Annual (2006/2007) RAF Report to DCITA was submitted on 6 September 2007. This is a comprehensive report summarising the progress of the 68 projects funded through RAF (24 in 2005, 23 in 2006 and 21 in 2007) from a descriptive and statistical perspective and addressing the extent of achievement of program objectives and key performance indicators (both quantitative and qualitative). The 2007/2008 payment instalments from DCITA depend on a satisfactory 2006/2007 Annual Report and audited report. Both reports received very positive feedback and the final year RAF payment was subsequently received.

RANSW continued to deliver input to the RAF National Review being conducted by Regional Arts Australia to support the continuation of the Fund being managed by the state regional arts organisations beyond the current Funding Agreement (30 June 2008).

Directors' Report

Regional Arts NSW Ltd and Controlled Entities

Review of operations continued

Staff Matters

Hannah Sanders resigned in May and Kate Reynolds was recruited to replace her as the Administration Officer.

Matthew Stewart took on a casual position working various hours to project manage the development of the data base position to ease the workload of the Funding Officers.

All staff took annual leave during the year.

Staff professional development

- Funding Manager attended the National Grant Making Conference in Melbourne 23 February.
- Communications Manager attended the Regional Marketing Conference in Hobart 23 - 25 May.
- Finance Manager has attended the following training courses presented by the Institute of Chartered Accountants; *A Day in the Life of the GST, Small Business GST Concessions, FBT and Salary Packaging, Superannuation Funds and Family Trusts.*
- *Leading Voices Seminar* presented by the Australia Council in association with Kape Communications: Donna Walker - Kuhne (USA) *Invitation to the Party - Building Bridges to the Arts, Culture and Community* attended by CEO and Communications Manager.
- *Margaret Lawrence Bequest Seminar* presented by ABaF. Katey Raines (UK) Customer Relationship Management was attended by CEO, Communications Manager and Administration Officer.
- CEO, Communications Officer and Administration Officer attended a selection of SAMAG Meetings during the year.
- Administration Officer attended a Chartered Secretaries Australia Ltd short course *Meetings and Minutes.*

In order to comply with current OH & S regulations a number of actions were implemented to ensure compliance including installation of security lighting at entrances to the building, installation of extra power points, removal of extension cords crossing traffic areas, removal of all office equipment from the kitchen, replacement of non-safety compliant office chairs and installation of flat screen monitors at all work stations. An annual maintenance program has been established. Training for fire wardens has been attended by the Finance Manager and the Administration Officer.

Network Matters

Three surveys were developed to get feedback on state wide issues:

- **Critical Issues** identified by each region was compiled and used to inform major issues affecting the state as well as to highlight significant regional differences.
- **Conditions Survey** was requested by the RADOs to develop a current picture of working conditions and funding streams. This comparative document was supplied to the Board at the April Meeting to enable directors to understand levels of pay and conditions across the state and to take this information back to their regional board meetings. A copy of this document was supplied to ArtsNSW on request.
- **DSRD Survey** was requested by Arts NSW to determine the extent of the network's interaction with this department.

Directors' Report

Regional Arts NSW Ltd and Controlled Entities

Review of operations continued

Board Matters

- CEO & the Chair attended a Board Development masterclass presented by ABaF and held at the Australia Council.
- All Directors were given the opportunity to attend this training, which was presented following the August Board meeting.
- The Annual Congress dinner for the Board, Life Members, RADOs, RANSW staff, kindred organisations, funding bodies and invited guests was held at the Royal Exchange Club on Friday 27 April. The Minister for the Arts attended a pre-dinner drinks function. The guest speakers were RANSW Patron, The Hon. Justice Ian Gzell and the new CEO of the Australia Council, Kathy Keele.
- Advice of the changes of directors was forwarded promptly to ASIC.
- A 'Skills Survey' of Board members was conducted in April and this information was used by the Executive to determine areas of expertise missing from the Board. They used the powers vested in them by the Constitution to co-opt a lawyer and a media specialist. Marise Sullivan and Daniel Bolger were subsequently co-opted to the Board.

Signed in accordance with a resolution of the directors.

MEG LARKIN

Director

Dated / /

Auditor's Independence Declaration

To the Directors of Regional Arts NSW Ltd

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2007 there have been:

- (i) no contraventions of the auditor's independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

STEVEN J MILLER & CO
Chartered Accountant

S J MILLER
Principal

Sydney

Dated / /

Income Statement

for the year ended 31 December 2007
Regional Arts NSW Ltd and Controlled Entities

	Note	CONSOLIDATED		PARENT ENTITY	
		2007	2006	2007	2006
		\$	\$	\$	\$
Revenue	2	621,755	643,564	619,483	639,277
Employee benefits expense	3	(377,109)	(363,432)	(377,109)	(363,432)
Depreciation and amortisation expenses	3	(20,148)	(11,565)	(20,148)	(11,565)
Administration expenses		(130,612)	(182,237)	(128,298)	(181,633)
Project expenses		(96,897)	(75,769)	(96,897)	(75,769)
		-----	-----	-----	-----
(Deficit)/surplus attributable to the members of Regional Arts NSW Ltd		(3,011)	10,561	(2,969)	6,878
		=====	=====	=====	=====

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

Balance Sheet

as at 31 December 2007
Regional Arts NSW Ltd and Controlled Entities

	Note	CONSOLIDATED		PARENT ENTITY	
		2007	2006	2007	2006
		\$	\$	\$	\$
ASSETS					
Current assets					
Cash and cash equivalents	4	620,078	862,640	556,170	798,710
Trade and other receivables	5	49,551	49,087	49,551	49,087
Investments	6	1,128	1,128	1,128	1,128
Inventories	7	3,783	-	3,783	-
		-----	-----	-----	-----
Total current assets		674,540	912,855	610,632	848,925
		-----	-----	-----	-----
Non-current assets					
Plant and equipment	8	37,340	21,239	37,340	21,239
Intangible assets	9	63,921	17,799	63,921	17,799
		-----	-----	-----	-----
Total non-current assets		101,261	39,038	101,261	39,038
		-----	-----	-----	-----
TOTAL ASSETS		775,801	951,893	711,893	887,963
		=====	=====	=====	=====
LIABILITIES					
Current liabilities					
Trade and other payables	10	46,290	44,859	46,290	44,859
Employee benefits	11	8,854	25,347	8,854	25,347
Government grants	12	329,959	486,676	329,959	486,676
Unearned income	13	1,286	2,588	1,143	2,465
		-----	-----	-----	-----
Total current liabilities		386,389	559,470	386,246	559,347
		-----	-----	-----	-----
TOTAL LIABILITIES		386,389	559,470	386,246	559,347
		-----	-----	-----	-----
NET ASSETS		389,412	392,423	325,647	328,616
		=====	=====	=====	=====
EQUITY					
Accumulated funds		389,412	392,423	325,647	328,616
		=====	=====	=====	=====

The above balance sheet should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

for the year ended 31 December 2007
Regional Arts NSW Ltd and Controlled Entities

	CONSOLIDATED		PARENT ENTITY	
	2007	2006	2007	2006
	\$	\$	\$	\$
Balance at 1 January	392,423	381,862	328,616	321,738
(Deficit)surplus for the period	(3,011)	10,561	(2,969)	6,878
	-----	-----	-----	-----
Balance at 31 December	389,412	392,423	325,647	328,616
	=====	=====	=====	=====

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

Cash Flow Statement

for the year ended 31 December 2007
Regional Arts NSW Ltd and Controlled Entities

	Note	CONSOLIDATED		PARENT ENTITY	
		2007	2006	2007	2006
		\$	\$	\$	\$
Cash flows from operating activities					
<i>Receipts</i>					
Receipts from customers (inc gst)		69,901	86,199	69,901	85,446
Dividends received		187	266	187	266
Donations received		-	2,388	-	-
Interest received		21,296	36,092	19,004	34,145
<i>Cash flows from government</i>					
Receipts from appropriations/grants (inc gst)		473,031	211,303	473,031	212,659
<i>Payments</i>					
Wages and salaries		(352,535)	(151,730)	(352,535)	(151,731)
Other suppliers (inc gst)		(372,071)	(514,817)	(369,757)	(514,075)
Net cash used by operating activities	18	(160,191)	(330,299)	(160,169)	(333,290)
Cash flows from investing activities					
Payments for plant, equipment and intangible		(82,371)	(34,225)	(82,371)	(34,225)
Net cash used in investing activities		(82,371)	(34,225)	(82,371)	(34,225)
Net decrease in cash and cash equivalents held		(242,562)	(364,524)	(242,540)	(367,515)
Cash and cash equivalents at the beginning of the financial year		862,640	1,227,164	798,710	1,166,225
Cash and cash equivalents at the end of the financial year	4	620,078	862,640	556,170	798,710

The above cash flow statement should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

for the year ended 31 December 2007
Regional Arts NSW Ltd and Controlled Entities

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Notes to the Financial Statements

for the year ended 31 December 2007
Regional Arts NSW Ltd and Controlled Entities

1 Summary of significant accounting policies

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

The financial report is for Regional Arts NSW Ltd and the entities it controlled as at 31 December 2007. Regional Arts NSW Ltd is incorporated and domiciled in Australia. Regional Arts NSW Ltd is a company limited by guarantee.

Its registered office and principal place of business is Pier 5, 15 Hickson Road, Millers Point NSW 2000.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Basis of preparation

Reporting basis and conventions

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

(a) Comparative figures

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

(b) Income tax

As the company is of a kind referred to in Section 50-5 item 1.1 of the Income Tax Assessment Act 1997, its income is exempt from the income tax.

(c) Cash and cash equivalents

Cash and cash equivalents includes 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.

Notes to the Financial Statements

for the year ended 31 December 2007
Regional Arts NSW Ltd and Controlled Entities

1 Summary of significant accounting policies continued

(d) Trade receivables

Trade receivables are recognised and carried at original invoice amount less allowance for doubtful debts. Trade debtors are due for settlement no more than 30 days from the date of recognition.

Collectibility of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. An allowance for doubtful receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables. The amount of the allowance is recognised in the income statement.

(e) Acquisition of assets

The purchase method of accounting is used to account for all acquisitions of assets. Cost is measured as the fair value of the assets given at the date of exchange plus costs directly attributable to the acquisition.

(f) Inventories

Inventories are measured at the lower of cost and current replacement cost.

Inventories acquired at no cost, or for nominal consideration are valued at the current replacement as at the date of acquisition.

(g) Leases

Leases of property, plant and equipment where the company has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. The corresponding rental obligations, net of financial charges, are included in other long term payables. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the asset's useful life and the lease term.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

Notes to the Financial Statements

for the year ended 31 December 2007
Regional Arts NSW Ltd and Controlled Entities

1 Summary of significant accounting policies *continued*

(h) Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(i) Plant and equipment

Land and buildings are shown at cost less subsequent depreciation for leasehold improvements. All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period which they incurred.

Increases in the carrying amounts arising on revaluation of property, plant and equipment are credited to other reserves in equity. To the extent that the increase reverses a decrease previously recognised in surplus or deficit, the increase is first recognised in surplus and deficit. Decreases that reverse previous increases of the same asset are first charged against revaluation reserves directly in equity to the extent of the remaining reserve attributable to the asset: all other decreases are charged to the income statement.

Land is not depreciated. Depreciation on other assets is calculated using the straight line or diminishing value methods to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

Plant & equipment	10 – 33% straight line and 15 – 20% diminishing value
-------------------	--

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 carrying amount. These are included in the income statement. When revalued assets are sold, it is company policy to transfer the amounts included in other reserves in respect of those assets to retained earnings.

Impairment

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

Notes to the Financial Statements

for the year ended 31 December 2007
Regional Arts NSW Ltd and Controlled Entities

1 Summary of significant accounting policies continued

(j) Revenue recognition

Grant revenue is recognised in the income statement when it is controlled. When there are conditions attached to grant revenue relating to the use of those grants for specific purposes it is recognised in the balance sheet as a liability until such conditions are met or services provided.

Donations and bequests are recognised when received.

Interest revenue and distribution income from investments is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

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

All revenue is stated net of the amount of goods and services (GST).

(k) Employee benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance sheet date. Employee benefits expected to be settled within one year together with benefits arising from wages, salaries and annual leave which may be settled after one year, have been measured at the amounts expected to be paid when the liability is settled plus related on costs. Other employee benefits payable later than one year have been measured at the net present value.

(l) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of 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.

(m) Unexpended grants

The company receives grant monies to fund projects either for contracted periods of time or for specific projects irrespective of the period of time required to complete those projects. It is the policy of the entity to treat grant monies as unexpended grants in the balance sheet where the company is contractually obligated to provide the services in a subsequent financial period to when the grant is received or in the case of specific project grants where the project has not been completed.

Notes to the Financial Statements

for the year ended 31 December 2007
Regional Arts NSW Ltd and Controlled Entities

	CONSOLIDATED		PARENT ENTITY	
	2007	2006	2007	2006
	\$	\$	\$	\$
2 Revenue				
From continuing operations				
<i>Rendering of services</i>				
Administration fees received	1,124	18,395	1,124	18,395
Affiliation fees received	4,290	3,350	4,290	3,350
Creative Volunteering fees received	5,815	5,856	5,815	5,856
Project cost recoveries	-	2,563	-	2,563
Grants received:				
Arts NSW – general	330,000	300,000	330,000	300,000
Regional Arts Australia – project	-	1,000	-	1,000
Rent received	11,757	8,242	11,757	8,242
	-----	-----	-----	-----
	352,986	339,406	352,986	339,406
	-----	-----	-----	-----
Other revenue				
Dividends received	187	266	187	266
Donations received	-	2,388	-	-
Interest received	22,597	35,986	20,325	34,087
Project revenue	216,705	264,452	216,705	264,452
Sundry revenue	29,280	1,066	29,280	1,066
	-----	-----	-----	-----
	268,769	304,158	266,497	299,871
	-----	-----	-----	-----
	621,755	643,564	619,483	639,277
	=====	=====	=====	=====

3 Expenses

The surplus includes the following specific expenses:

<i>Depreciation and amortisation</i>				
Plant and equipment	15,583	6,564	15,583	6,564
Intangible assets	4,565	5,001	4,565	5,001
<i>Rental expense relating to operating leases</i>				
Minimum lease payments	16,670	16,242	16,670	16,242
<i>Employee benefits expense</i>				
Annual leave (written back)/provided	(16,493)	(3,062)	(16,493)	(3,062)
Salaries and wages	352,535	325,144	352,535	325,144
Superannuation	32,266	34,307	32,266	34,307
Training	2,187	3,967	2,187	3,967
Workcover	6,614	3,076	6,614	3,076
	=====	=====	=====	=====

Notes to the Financial Statements

for the year ended 31 December 2007
Regional Arts NSW Ltd and Controlled Entities

	CONSOLIDATED		PARENT ENTITY	
	2007	2006	2007	2006
	\$	\$	\$	\$
4 Cash and cash equivalents				
Cash at bank and on hand	172,984	340,585	158,761	301,515
Deposits at call	447,094	522,055	397,409	497,195
	-----	-----	-----	-----
	620,078	862,640	556,170	798,710
	=====	=====	=====	=====

(a) Reconciliation to cash at the end of the year

The above figures are reconciled to cash at the end of the financial year as shown in the statement of cash flows as follows:

Balance per statement of cash flows	620,078	862,640	556,170	798,710
	=====	=====	=====	=====

(b) Deposits as call

The deposits are bearing floating interest rates of 7.02% (2006 – 5.52%). These deposits have an average maturity rate of 31 days.

5 Trade and other receivables

Current

Trade receivables	10,652	21,827	10,652	21,827
Net GST recoverable	38,899	27,260	38,899	27,260
	-----	-----	-----	-----
	49,551	49,087	49,551	49,087
	=====	=====	=====	=====

6 Investments

Current

Shares in listed corporations – at cost	1,128	1,128	1,128	1,128
	=====	=====	=====	=====
Market value of shares in listed corporations	2,612	4,026	2,612	4,026
	=====	=====	=====	=====

Notes to the Financial Statements

for the year ended 31 December 2007
Regional Arts NSW Ltd and Controlled Entities

	CONSOLIDATED		PARENT ENTITY	
	2007	2006	2007	2006
	\$	\$	\$	\$
7 Inventories				
Current				
Inventory for distribution	3,783	-	3,783	-
	=====	=====	=====	=====

8 Plant and equipment

Non-current

Plant and equipment

Plant and equipment – at cost	66,427	143,771	66,427	143,771
Accumulated depreciation	(29,087)	(122,532)	(29,087)	(122,532)
	-----	-----	-----	-----
Total plant and equipment	37,340	21,239	37,340	21,239
	=====	=====	=====	=====

Reconciliations

Reconciliations of the carrying amounts of each property, plant and equipment at the beginning and end of the current financial year:

	PARENT ENTITY
	Plant and equipment \$
Carrying amount at 1 January	21,239
Additions	31,684
Depreciation expense	(15,583)

Carrying amount 31 December	37,340
	=====

Notes to the Financial Statements

for the year ended 31 December 2007
Regional Arts NSW Ltd and Controlled Entities

	CONSOLIDATED		PARENT ENTITY	
	2007	2006	2007	2006
	\$	\$	\$	\$
9 Intangible assets				
Non-current				
Software and website – at cost	78,919	28,232	78,919	28,232
Accumulated amortisation	(14,998)	(10,433)	(14,998)	(10,433)
	-----	-----	-----	-----
	63,921	17,799	63,921	17,799
	=====	=====	=====	=====

10 Trade and other payables

Current				
Deposits paid	250	250	250	250
Trade payables	32,171	17,841	32,171	17,841
Other payables	13,869	26,768	13,869	26,768
	-----	-----	-----	-----
	46,290	44,859	46,290	44,859
	=====	=====	=====	=====

11 Employee benefits

Current				
Liability for annual leave	8,854	25,347	8,854	25,347
	=====	=====	=====	=====
Employee numbers				
Average number of employees during the financial year	7	7	7	7
	=====	=====	=====	=====

12 Government grants

Current					
Grants in advance	Sch 13	268,625	391,551	268,625	391,551
Unexpended grants	Sch 13	61,334	95,125	61,334	95,125
		-----	-----	-----	-----
		329,959	486,676	329,959	486,676
		=====	=====	=====	=====

Notes to the Financial Statements

for the year ended 31 December 2007
Regional Arts NSW Ltd and Controlled Entities

	CONSOLIDATED		PARENT ENTITY	
	2007	2006	2007	2006
	\$	\$	\$	\$
13 Unearned income				
Current				
Bank bill interest in advance	1,286	2,588	1,143	2,465
	=====	=====	=====	=====

14 Financial instruments

The parent entity's exposure to interest rate risk and the effective weighted average interest rate for each class of financial assets and liabilities is set out in the following table.

2007 PARENT	Floating interest rate	Fixed interest maturing in:			Non- interest bearing	Total
		1 Year or less	1 to 5 years	More than 5 years		
<i>Financial assets</i>						
Cash and cash equivalents	157,630	-	-	-	1,131	158,761
Interest bearing deposits	-	397,409	-	-	-	397,409
Trade and other receivables	-	-	-	-	49,551	49,551
Other financial assets	-	-	-	-	1,128	1,128
	<u>157,630</u>	<u>397,409</u>	<u>-</u>	<u>-</u>	<u>51,810</u>	<u>606,849</u>
Weighted average interest	6.00%	7.00%	n/a	n/a	n/a	
<i>Financial liabilities</i>						
Trade and other payables	-	-	-	-	46,290	46,290
Government grants	-	-	-	-	329,959	329,959
Unearned income	-	-	-	-	1,143	1,143
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>377,392</u>	<u>377,392</u>
Weighted average interest	n/a	n/a	n/a	n/a	n/a	
Net financial assets	<u>157,630</u>	<u>397,409</u>	<u>-</u>	<u>-</u>	<u>(325,582)</u>	<u>229,457</u>

Notes to the Financial Statements

for the year ended 31 December 2007
Regional Arts NSW Ltd and Controlled Entities

14 Financial instruments continued

2006 PARENT

	Floating interest rate	1 Year or less	Fixed interest maturing in:		Non- interest bearing	Total
			1 to 5 years	More than 5 years		
<i>Financial assets</i>						
Cash and cash equivalents	300,424	-	-	-	1,091	301,515
Interest bearing deposits	-	497,195	-	-	-	497,195
Trade and other receivables	-	-	-	-	49,087	49,087
Other financial assets	-	-	-	-	1,128	1,128
	300,424	497,195	-	-	51,306	848,925
Weighted average interest	3.25%	5.52%	n/a	n/a	n/a	
<i>Financial liabilities</i>						
Trade and other payables	-	-	-	-	44,859	44,859
Government grants	-	-	-	-	486,676	486,676
Unearned income	-	-	-	-	2,465	2,465
	-	-	-	-	534,000	534,000
Weighted average interest	n/a	n/a	n/a	n/a	n/a	
Net financial assets	300,424	497,195	-	-	(482,694)	314,925

PARENT
2007 **PARENT**
2006

Reconciliation of net financial assets to net assets

Net financial assets as above	229,457	314,925
<i>Non-financial assets and liabilities</i>		
Inventory	3,783	-
Property, plant and equipment	37,340	21,239
Intangible assets	63,921	17,799
Employee benefits	(8,854)	(25,347)
Net assets per balance sheet	325,647	328,616
	=====	=====

Notes to the Financial Statements

for the year ended 31 December 2007
Regional Arts NSW Ltd and Controlled Entities

14 Financial instruments *continued*

Credit risk

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 of those assets, net of any provision for doubtful debts, as disclosed in the statement of financial position and notes to and forming part of the financial statements.

The economic entity does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the economic entity.

	CONSOLIDATED		PARENT ENTITY	
	2007	2006	2007	2006
	\$	\$	\$	\$

15 Remuneration of auditors

The auditor of Regional Arts NSW is Steven J Miller & Co.

Amounts due and receivable by Steven J Miller & Co for:

Assurance services

Audit services

Audit of the financial report	9,750	10,700	9,750	10,700
-------------------------------	-------	--------	-------	--------

Corporate services

Taxation compliance including the preparation of the Fringe Benefits Tax Return

	350	450	350	450
	-----	-----	-----	-----
	10,100	11,150	10,100	11,150
	=====	=====	=====	=====

Notes to the Financial Statements

for the year ended 31 December 2007
Regional Arts NSW Ltd and Controlled Entities

	CONSOLIDATED		PARENT ENTITY	
	2007	2006	2007	2006
	\$	\$	\$	\$
16 Commitments for expenditure				
Lease commitments				
Commitments in relation to operating leases contracted for at the reporting date but not recognised as liabilities, payable:				
<i>Motor vehicles</i>				
Not later than 1 year	35,366	40,933	35,366	40,933
Later than 1 year but not later than 5 years	3,278	1,445	3,278	1,445
	-----	-----	-----	-----
	38,644	42,378	38,644	42,378
	=====	=====	=====	=====
<i>Office equipment</i>				
Not later than 1 year	1,840	2,472	1,840	2,472
Later than 1 year but not later than 5 years	-	1,854	-	1,854
	-----	-----	-----	-----
	1,840	4,326	1,840	4,326
	=====	=====	=====	=====
<i>Office premises</i>				
Not later than one year	14,208	13,770	14,208	13,770
Later than 1 year but not later than 5 years	45,231	60,663	45,231	60,663
	-----	-----	-----	-----
	59,439	74,433	59,439	74,433
	=====	=====	=====	=====
Representing:				
Non-cancellable operating leases	99,923	121,137	99,923	121,137
	=====	=====	=====	=====

Notes to the Financial Statements

for the year ended 31 December 2007
Regional Arts NSW Ltd and Controlled Entities

17 Director and executive disclosures

(a) Details of key management personnel

The names of each person holding the position of director of the company during the financial year are listed on pages 5, 6 and 7 of the Director's Report. Unless otherwise stated in the Director's Report, the directors have been in office for the financial year.

Details of the executive officers are as follows:

Elizabeth Rogers	General Manager	Appointed 4 December 2006
Victoria Keighery	General Manager	Resigned 15 September 2006

(b) Compensation of key management personnel

	PARENT ENTITY	
	2007	2006
	\$	\$
Short term benefits		
Key management personnel compensation	98,101	61,851
	=====	=====
Other long term benefits		
Key management personnel compensation	-	52,875
	=====	=====

The remuneration and other terms of employment are formalised in contracts of employment.

(c) Other transactions and balances with key management personnel

No director or executive has entered into a material contract with the company since the end of the previous financial year and there were no material contracts involving directors' interests subsisting at year end other than employment contracts.

Notes to the Financial Statements

for the year ended 31 December 2007
Regional Arts NSW Ltd and Controlled Entities

	CONSOLIDATED		PARENT ENTITY	
	2007	2006	2007	2006
	\$	\$	\$	\$
18 Reconciliation of (deficit)/surplus from ordinary activities to net cash inflow from operating activities				
Operating (deficit)/surplus	(3,011)	10,561	(2,969)	6,878
Depreciation of plant and equipment	15,583	6,564	15,583	6,564
Amortisation of intangibles	4,565	5,001	4,565	5,001
	-----	-----	-----	-----
	17,137	22,126	17,179	18,443
Changes in operating assets and liabilities				
Decrease/(increase) in trade and other receivables	(464)	31,358	(464)	32,358
Decrease/(increase) in prepayments	-	6,160	-	6,160
(Increase)/decrease in inventories	(3,783)	160	(3,783)	-
Increase/(decrease) in trade and other payables	1,431	(277,797)	1,431	(277,897)
Decrease in employee benefits	(16,493)	(3,062)	(16,493)	(3,062)
Decrease in government grants	(156,717)	(109,350)	(156,717)	(109,350)
(Decrease)/increase in unearned income	(1,302)	106	(1,322)	58
	-----	-----	-----	-----
	(160,191)	(330,299)	(160,169)	(333,290)
	=====	=====	=====	=====

19 Group contributions

During the year members of the group contributed
to the results as follows:

Contributions to consolidated operating surplus
and abnormal items applicable to members of

Regional Arts NSW Ltd:

Regional Arts NSW Ltd	(2,969)	6,878	-	-
Regional Arts NSW Foundation	(42)	3,683	-	-
	-----	-----	-----	-----
	(3,011)	10,561	-	-
	=====	=====	=====	=====

Directors' Declaration

The directors of the company declare that:

1. the financial statements and notes, as set out on pages 24 to 42 are in accordance with the *Corporations Act 2001*;
 - a. comply with Accounting Standards and the Corporations Regulations 2001; and
 - b. give a true and fair view of the financial position as at 31 December 2007 and of the performance for the year ended on that date of the company.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the board of directors.

MEG LARKIN

Director

Sydney

Dated / /

Independent Audit Report

To the members of Regional Arts NSW Ltd

Report on the financial report

I have audited the accompanying financial report of Regional Arts NSW Ltd (the company), which comprises the balance sheet as at 31 December 2007 and the income statement, statement of recognised income and expenditure and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and directors' declaration.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing 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 have 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 judgement, 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 company'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 company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting my audit, I have complied with the independence requirements of the *Corporations Act 2001*. I confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of Regional Arts NSW Ltd on 17 March 2008, would be the same in the same terms if provided to the directors as at the date of this auditor's report.

Independent Audit Report

To the members of Regional Arts NSW Ltd
continued

Auditor's opinion

In my opinion, the financial report of Regional Arts NSW Ltd is in accordance with the *Corporations Act 2001*, including

- a. giving a true and fair view of the company's financial position as at 31 December 2007 and of their performance for the year ended on that date; and
- b. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

STEVEN J MILLER & CO

Chartered Accountant

S J MILLER

Principal

Sydney

Dated / /

Disclaimer

Regional Arts NSW Ltd and Controlled Entities

The additional financial data presented on pages 47 to 60 is in accordance with the books and records of the company which have been subjected to the auditing procedures applied in my statutory audit of the company for the year ended 31 December 2007. It will be appreciated that my statutory audit did not cover all details of the additional financial information. Accordingly, I do not express an opinion on such financial information and no warranty of accuracy or reliability is given.

In accordance with my firm's policy, I advise that neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any person (other than the company) in respect of such information, including any errors or omissions therein, arising through negligence or otherwise however caused.

STEVEN J MILLER & CO
Chartered Accountant

S J MILLER
Principal

Sydney
Dated / /

Detailed Income Statement

for the year ended 31 December 2007
Regional Arts NSW Ltd and Controlled Entities

	Sch	CONSOLIDATED		PARENT ENTITY	
		2007	2006	2007	2006
		\$	\$	\$	\$
SUMMARY OF DIVISIONAL RESULTS					
<i>Net surplus</i>					
General operations	1	(383)	10,561	(341)	6,878
Project income					
CASP	3	-	-	-	-
Regional Audience Development	4	(2,628)	-	(2,628)	-
Quick Turnaround Grant	5	-	-	-	-
Travel assistance	6	-	-	-	-
Commonwealth Regional Arts Fund					
Administration	7	-	-	-	-
Increasing the Yield	8	-	-	-	-
Grants	9	-	-	-	-
Recipient Initiative Program	10	-	-	-	-
Regional Training and Development	11	-	-	-	-
Creative Volunteering	12	-	-	-	-
		-----	-----	-----	-----
NET (DEFICIT)/SURPLUS		(3,011)	10,561	(2,969)	6,878
		=====	=====	=====	=====
Grants in advance and unexpended	13				

Detailed Income Statement

for the year ended 31 December 2007
Regional Arts NSW Ltd and Controlled Entities

SCHEDULE 1 – GENERAL OPERATIONS

	CONSOLIDATED		PARENT ENTITY	
	2007	2006	2007	2006
	\$	\$	\$	\$
INCOME				
Administration fees received	1,124	18,395	1,124	18,395
Affiliation fees received	4,290	3,350	4,290	3,350
Cost recoveries	-	2,563	-	2,563
Creative Volunteering fees received	5,815	5,856	5,815	5,856
Dividends received	187	266	187	266
Donations received	-	2,388	-	-
Grants received:				
Arts NSW – general	330,000	300,000	330,000	300,000
Regional Arts Australia – project	-	1,000	-	1,000
Interest received	22,597	35,986	20,325	34,087
Rent received	11,757	8,242	11,757	8,242
Sundry revenue	20,359	1,066	20,359	1,066
	-----	-----	-----	-----
TOTAL INCOME	396,129	379,112	393,857	374,825
LESS: EXPENDITURE:				
	Sch 2			
	396,512	343,551	394,198	342,947
	-----	-----	-----	-----
NET (DEFICIT)/SURPLUS	(383)	35,561	(341)	31,878
Less: transfer to other project:				
Increasing the Yield	Sch 8			
	-	(25,000)	-	(25,000)
	-----	-----	-----	-----
NET PROJECT RESULT	(383)	10,561	(341)	6,878
	=====	=====	=====	=====

Detailed Income Statement

for the year ended 31 December 2007
Regional Arts NSW Ltd and Controlled Entities

SCHEDULE 2 - EXPENDITURE

	Note	CONSOLIDATED		PARENT ENTITY	
		2007	2006	2007	2006
		\$	\$	\$	\$
EXPENSES					
Annual leave (written back)/provided		(16,493)	(3,062)	(16,493)	(3,062)
Auditor's remuneration	15	10,100	11,150	10,100	11,150
Bank charges		1,557	3,296	1,243	2,852
Catering and entertainment		3,394	3,060	3,394	3,060
Cleaning and provisions		5,982	5,614	5,982	5,614
Computer costs		4,402	5,100	4,402	5,100
Conference expenses		718	5,676	718	5,676
Couriers		207	648	207	648
Depreciation of plant and equipment		19,899	11,565	19,899	11,565
Electricity		3,850	4,249	3,850	4,249
Fringe benefits tax		921	3,227	921	3,227
General expenses		2,106	1,903	2,106	1,903
Insurances		11,587	7,014	11,587	7,014
Internet charges		2,214	1,660	2,214	1,660
Lease payments		2,863	2,971	2,863	2,971
Marketing fees		2,173	-	2,173	-
Meeting expenses		29,553	29,189	29,553	29,189
Motor vehicle expenses		16,091	4,182	16,091	4,182
Per diems		6,625	2,241	6,625	2,241
Postage		3,757	4,447	3,757	4,447
Printing, stationery and photocopying		3,928	9,153	3,928	8,993
Rent and outgoings		18,518	20,898	18,518	20,898
Repairs and maintenance		5,559	3,585	5,559	3,585
Salaries and wages		203,614	151,730	203,614	151,730
Security services		1,434	822	1,434	822
Sponsorships paid		2,000	-	-	-
Staff amenities		2,573	3,594	2,573	3,594
Staff recruitment		150	1,737	150	1,737
Staff training		2,187	3,967	2,187	3,967
Subscriptions and registrations		3,226	2,777	3,226	2,777
Superannuation		18,854	19,039	18,854	19,039
Telephone and facsimile		6,399	11,095	6,399	11,095
Travelling expenses – local and overseas		16,564	11,024	16,564	11,024
		-----	-----	-----	-----
TOTAL EXPENDITURE		396,512	343,551	394,198	342,947
		=====	=====	=====	=====

Detailed Income Statement

for the year ended 31 December 2007
Regional Arts NSW Ltd and Controlled Entities

SCHEDULE 3 – CASP GRANTS

	Sch	CONSOLIDATED		PARENT ENTITY	
		2007	2006	2007	2006
		\$	\$	\$	\$
INCOME					
Grants received:					
Arts NSW		200,000	200,000	200,000	200,000
Unexpended grant brought forward – 1 January		68,885	67,710	68,885	67,710
		-----	-----	-----	-----
TOTAL INCOME		268,885	267,710	268,885	267,710
LESS: EXPENDITURE					
CASP payments		214,358	198,825	214,358	198,825
		-----	-----	-----	-----
TOTAL EXPENSES		214,358	198,825	214,358	198,825
		-----	-----	-----	-----
NET SURPLUS		54,527	68,885	54,527	68,885
Less: unexpended grant – 31 December	Sch 13	(54,527)	(68,885)	(54,527)	(68,885)
		-----	-----	-----	-----
NET PROJECT RESULT		-	-	-	-
		=====	=====	=====	=====

Detailed Income Statement

for the year ended 31 December 2007
Regional Arts NSW Ltd and Controlled Entities

SCHEDULE 4 – REGIONAL AUDIENCE DEVELOPMENT

	Sch	CONSOLIDATED		PARENT ENTITY	
		2007	2006	2007	2006
		\$	\$	\$	\$
INCOME					
Grants received:					
Australia Council		-	31,917	-	31,917
NSW Dept of State and Regional Development		-	2,000	-	2,000
Grant in advance brought forward – 1 January		8,740	34,601	8,740	34,601
Ticket sales		-	4,561	-	4,561
		-----	-----	-----	-----
TOTAL INCOME		8,740	73,079	8,740	73,079
LESS: EXPENDITURE					
Audit fees		-	550	-	550
Catering costs		-	2,980	-	2,980
Computer costs		-	3	-	3
Conference expenses		-	2,400	-	2,400
Consulting fees		-	1,000	-	1,000
General expenses		30	-	30	-
Per diems		473	3,360	473	3,360
Printing and stationery		66	263	66	263
Production costs		-	2,025	-	2,025
Registration fees		-	600	-	600
Salaries and wages		8,727	39,165	8,727	39,165
Subscriptions		-	443	-	443
Superannuation		685	3,226	685	3,226
Telephone and facsimile		-	44	-	44
Travelling expenses – local and overseas		1,387	7,630	1,387	7,630
Website maintenance		-	650	-	650
		-----	-----	-----	-----
TOTAL EXPENSES		11,368	64,339	11,368	64,339
		-----	-----	-----	-----
NET (DEFICIT)/SURPLUS		(2,628)	8,740	(2,628)	8,740
Less: unexpended – 31 December	Sch 13	-	(8,740)	-	(8,740)
		-----	-----	-----	-----
NET PROJECT RESULT		(2,628)	-	(2,628)	-
		=====	=====	=====	=====

Detailed Income Statement

for the year ended 31 December 2007
Regional Arts NSW Ltd and Controlled Entities

SCHEDULE 5 – QUICK TURNAROUND GRANT

	Sch	CONSOLIDATED		PARENT ENTITY	
		2007	2006	2007	2006
		\$	\$	\$	\$
INCOME					
Grants received:					
Department of the Environment, Water, Heritage and the Arts		30,000	30,000	30,000	30,000
Grant in advance brought forward – 1 January		15,645	16,282	15,645	16,282
Transfer from RAF grants	Sch 9	32,162	-	32,162	-
		-----	-----	-----	-----
TOTAL INCOME		77,807	46,282	77,807	46,282
LESS: EXPENDITURE					
Grant payments		43,550	30,637	43,550	30,637
		-----	-----	-----	-----
TOTAL EXPENSES		43,550	30,637	43,550	30,637
		-----	-----	-----	-----
NET SURPLUS		34,257	15,645	34,257	15,645
Less: grant in advance – 31 December	Sch 13	(34,257)	(15,645)	(34,257)	(15,645)
		-----	-----	-----	-----
NET PROJECT RESULT		-	-	-	-
		=====	=====	=====	=====

Detailed Income Statement

for the year ended 31 December 2007
Regional Arts NSW Ltd and Controlled Entities

SCHEDULE 6 – TRAVEL ASSISTANCE

	Sch	CONSOLIDATED		PARENT ENTITY	
		2007	2006	2007	2006
		\$	\$	\$	\$
INCOME					
Grants received:					
Arts NSW		-	5,000	-	5,000
Regional Arts Australia – RAF		-	6,364	-	6,364
Unexpended grant brought forward – 1 January		-	1,233	-	1,233
		-----	-----	-----	-----
TOTAL INCOME		-	12,597	-	12,597
LESS: EXPENDITURE					
Administration fees		-	453	-	453
Travelling expenses – local and interstate		-	10,911	-	10,911
		-----	-----	-----	-----
TOTAL EXPENSES		-	11,364	-	11,364
		-----	-----	-----	-----
NET SURPLUS			1,233	-	1,233
Less: transfer to 2008 conference – 31 December		-	(1,233)	-	(1,233)
		-----	-----	-----	-----
NET PROJECT RESULT		-	-	-	-
		=====	=====	=====	=====

Detailed Income Statement

for the year ended 31 December 2007
Regional Arts NSW Ltd and Controlled Entities

SCHEDULE 7 – COMMONWEALTH REGIONAL ARTS FUND ADMINISTRATION

	Sch	CONSOLIDATED		PARENT ENTITY	
		2007	2006	2007	2006
		\$	\$	\$	\$
INCOME					
Grants received:					
Department of the Environment, Water, Heritage and the Arts		80,500	77,805	80,500	77,805
Grant in advance brought forward – 1 January		49,212	42,978	49,212	42,978
		-----	-----	-----	-----
TOTAL INCOME		129,712	120,783	129,712	120,783
LESS: EXPENDITURE					
Advertising and promotion		5,889	2,145	5,889	2,145
Artists' fees		-	550	-	550
Audit fees		500	-	500	-
Computer expenses		582	-	582	-
Conference expenses		-	400	-	400
Consultants' fees		375	-	375	-
Courier		499	58	499	58
Depreciation		250	-	250	-
Panel meeting costs		5,494	3,485	5,494	3,485
Per diems		1,970	315	1,970	315
Printing and stationery		7,665	2,839	7,665	2,839
Registration fees		-	445	-	445
Salaries and wages		66,152	53,082	66,152	53,082
Superannuation		6,008	4,615	6,008	4,615
Telephone and facsimile		1,422	-	1,422	-
Travelling expenses – local and interstate		3,234	3,637	3,234	3,637
		-----	-----	-----	-----
TOTAL EXPENSES		100,040	71,571	100,040	71,571
		-----	-----	-----	-----
NET SURPLUS		29,672	49,212	29,672	49,212
Less: grant in advance – 31 December	Sch 13	(29,672)	(49,212)	(29,672)	(49,212)
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NET PROJECT RESULT		-	-	-	-
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Detailed Income Statement

for the year ended 31 December 2007
Regional Arts NSW Ltd and Controlled Entities

SCHEDULE 8 – COMMONWEALTH REGIONAL ARTS FUND INCREASING THE YIELD

	Sch	CONSOLIDATED		PARENT ENTITY	
		2007	2006	2007	2006
		\$	\$	\$	\$
INCOME					
Grants received:					
Department of the Environment, Water, Heritage and the Arts		86,000	85,000	86,000	85,000
Arts NSW - transfer from core funding		-	25,000	-	25,000
Grant in advance brought forward – 1 January		45,880	28,029	45,880	28,029
Sundry income		106	761	106	761
		-----	-----	-----	-----
TOTAL INCOME		131,986	138,790	131,986	138,790
LESS: EXPENDITURE					
Conference fees		307	41	307	41
Consultants' fees		100	-	100	-
Courier		455	-	455	-
Per diems		414	1,546	414	1,546
Printing and stationery		41	290	41	290
Printing – Artreach		35,057	22,693	35,057	22,693
Salaries and wages		62,953	61,199	62,953	61,199
Subscriptions and registration fees		807	540	807	540
Superannuation		5,633	5,400	5,633	5,400
Travelling expenses – local and interstate		269	951	269	951
Website maintenance		-	250	-	250
		-----	-----	-----	-----
TOTAL EXPENSES		106,036	92,910	106,036	92,910
		-----	-----	-----	-----
NET SURPLUS		25,950	45,880	25,950	45,880
Less: grant in advance – 31 December	Sch 13	(25,950)	(45,880)	(25,950)	(45,880)
		-----	-----	-----	-----
NET PROJECT RESULT		-	-	-	-
		=====	=====	=====	=====

Detailed Income Statement

for the year ended 31 December 2007
Regional Arts NSW Ltd and Controlled Entities

SCHEDULE 9 – COMMONWEALTH REGIONAL ARTS FUND GRANTS

	Sch	CONSOLIDATED		PARENT ENTITY	
		2007	2006	2007	2006
		\$	\$	\$	\$
INCOME					
Grants received:					
Department of the Environment, Water, Heritage and the Arts		390,580	370,682	390,580	370,682
Interest received		8,560	9,239	8,560	9,239
Grant in advance brought forward – 1 January		205,314	326,995	205,314	326,995
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TOTAL INCOME		604,454	706,916	604,454	706,916
LESS: EXPENDITURE					
Grant payments		472,304	501,602	472,304	501,602
		-----	-----	-----	-----
TOTAL EXPENSES		472,304	501,602	472,304	501,602
		-----	-----	-----	-----
NET SURPLUS		132,150	205,314	132,150	205,314
Less: grants in advance – 31 December	Sch 13	(99,988)	(205,314)	(99,988)	(205,314)
Less: transfer to Quicks program	Sch 5	(32,162)	-	(32,162)	-
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NET PROJECT RESULT		-	-	-	-
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Detailed Income Statement

for the year ended 31 December 2007
Regional Arts NSW Ltd and Controlled Entities

SCHEDULE 10 – COMMONWEALTH REGIONAL ARTS FUND RECIPIENT INITIATIVE PROGRAM

	Sch	CONSOLIDATED		PARENT ENTITY	
		2007	2006	2007	2006
		\$	\$	\$	\$
INCOME					
Grants received:					
Department of the Environment, Water, Heritage and the Arts		32,600	32,600	32,600	32,600
Grant in advance brought forward – 1 January		69,000	60,668	69,000	60,668
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TOTAL INCOME		101,600	93,268	101,600	93,268
LESS: EXPENDITURE					
Consultants' fees		12,585	-	12,585	-
Per diems		932	-	932	-
Printing and stationery		1,470	-	1,470	-
Salaries and wages		11,088	22,241	11,088	22,241
Superannuation		1,086	2,027	1,086	2,027
Telephone and facsimile		3,112	-	3,112	-
Travelling expenses – local and interstate		1,069	-	1,069	-
		-----	-----	-----	-----
TOTAL EXPENSES		31,342	24,268	31,342	24,268
		-----	-----	-----	-----
NET SURPLUS		70,258	69,000	70,258	69,000
Less: grant in advance – 31 December	Sch 13	(70,258)	(69,000)	(70,258)	(69,000)
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NET PROJECT RESULT		-	-	-	-
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Detailed Income Statement

for the year ended 31 December 2007
Regional Arts NSW Ltd and Controlled Entities

SCHEDULE 11 – REGIONAL TRAINING AND DEVELOPMENT

	Sch	CONSOLIDATED		PARENT ENTITY	
		2007	2006	2007	2006
		\$	\$	\$	\$
INCOME					
Unexpended grant brought forward – Arts NSW					
1 January		17,500	17,500	17,500	17,500
		-----	-----	-----	-----
TOTAL INCOME		17,500	17,500	17,500	17,500
LESS: EXPENDITURE					
Seminar expenses		6,900	-	6,900	-
Trainers' fees		695	-	695	-
Travelling expenses – local and interstate		3,098	-	3,098	-
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TOTAL EXPENSES		10,693	-	10,693	-
		-----	-----	-----	-----
NET SURPLUS		6,807	17,500	6,807	17,500
Less: unexpended grant – 31 December	Sch 13	(6,807)	(17,500)	(6,807)	(17,500)
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NET PROJECT RESULT		-	-	-	-
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Regional Arts NSW Ltd and Controlled Entities

SCHEDULE 12 – COMMONWEALTH REGIONAL ARTS FUND CREATIVE VOLUNTEERING

	Sch	CONSOLIDATED		PARENT ENTITY	
		2007	2006	2007	2006
		\$	\$	\$	\$
INCOME					
Department of the Environment, Water, Heritage and the Arts		9,000	6,500	9,000	6,500
Unexpended grant brought forward – 1 January		6,500	-	6,500	-
		-----	-----	-----	-----
TOTAL INCOME		15,500	6,500	15,500	6,500
LESS: EXPENDITURE					
Workshop fees		7,000	-	7,000	-
		-----	-----	-----	-----
TOTAL EXPENSES		7,000	-	7,000	-
		-----	-----	-----	-----
NET SURPLUS		8,500	6,500	8,500	6,500
Less: grant in advance – 31 December	Sch 13	(8,500)	(6,500)	(8,500)	(6,500)
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NET PROJECT RESULT		-	-	-	-
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for the year ended 31 December 2007
Regional Arts NSW Ltd and Controlled Entities

SCHEDULE 13 – GRANTS IN ADVANCE AND UNEXPENDED

	CONSOLIDATED		PARENT ENTITY	
	2007	2006	2007	2006
	\$	\$	\$	\$
Grants in advance				
Schedule 5 – Quick Turnaround Grant	34,257	15,645	34,257	15,645
Schedule 7 – Commonwealth Regional Arts Fund Administration	29,672	49,212	29,672	49,212
Schedule 8 – Commonwealth Regional Arts Fund Increasing The Yield	25,950	45,880	25,950	45,880
Schedule 9 – Commonwealth Regional Arts Fund Grants	99,988	205,314	99,988	205,314
Schedule 10 – Commonwealth Regional Arts Fund Recipient Initiative Program	70,258	69,000	70,258	69,000
Schedule 12 – Commonwealth Regional Arts Fund Creative Volunteering	8,500	6,500	8,500	6,500
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	268,625	391,551	268,625	391,551
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Unexpended grants				
Schedule 3 – CASP	54,527	68,885	54,527	68,885
Schedule 4 – Regional Audience Development	-	8,740	-	8,740
Schedule 11 – Regional Training And Development	6,807	17,500	6,807	17,500
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	61,334	95,125	61,334	95,125
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