

**CULTURAL DEVELOPMENT NETWORK LIMITED  
AND CREATING AUSTRALIA LIMITED**

**ABN 57 399 480 298**

**ACN: 616 129 812**



**ANNUAL REPORT AND**

**THE FINANCIAL REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

# CULTURAL DEVELOPMENT NETWORK LIMITED AND CREATING AUSTRALIA LIMITED

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# CULTURAL DEVELOPMENT NETWORK LIMITED AND CREATING AUSTRALIA LIMITED

## DIRECTOR'S REPORT

The Board members and Directors present this report of the Cultural Development Network Ltd (CDN) and Creating Australia Ltd for the financial year ended 31st of December 2019.

### Board Members and Directors of CDN

The names of the board members and Directors in office at CDN any time during or since the end of the year are:

- Paul Holton, Chair
- Sarah Firth, Deputy Chair
- Cr. Rod Fyffe, Treasurer
- Dr. Nicholas Hill
- Greg Box
- Hanut Singh Dodd
- Lindy Allen
- Michelle Zemancheff

The Company Constitution allow for up to nine members.

During the 2019 CDN Annual General Meeting, board nominations were held. Paul Holton was elected as Chair, Sarah Firth as Deputy Chair and Cr. Rod Fyffe as Treasurer. The Board delegated the role of Company Secretary to CDN's Executive Officer, John Smithies. Hanut Singh Dodd, Nicholas Hill, Greg Box and Lindy Allen were elected as ordinary members and Directors.

### Company Secretary

The following person held the delegated position of Company Secretary during the financial year.

John Smithies.

### Board Members and Directors of CA

The single member in office at CA any time during or since the end of the year was: Cultural Development Network Ltd

The names of the board directors in office at CA any time during or since the end of the year are:

- Paul Holton, Chair
- Sarah Firth, Deputy Chair
- Cr. Rod Fyffe, Treasurer
- Dr. Nicholas Hill
- Hanut Singh Dodd
- Greg Box
- Lindy Allen
- John Smithies, Executive Director and Secretary

The Company Constitution allow for up to nine members. As CA is a single member company. The member is Cultural Development Network Ltd.

# CULTURAL DEVELOPMENT NETWORK LIMITED AND CREATING AUSTRALIA LIMITED

## **Principal Activities of Cultural Development Network and including Creating Australia**

CDN is exempt from Income Tax as a Charitable Institution. The Company's principle activity is to function as a network for local government-based arts and cultural development interests. CDN supports local government to take a lead role in assisting local communities to make and express their own culture. CDN's advocacy for arts and support to local government and local communities is directed towards the goal of 'a culturally rich and vibrant Australian society'.

Creating Australia is an independent company limited by guarantee with Tax Concession Charity status and DGR-1 status through the Register of Cultural Organisations. CA was established in 2013 and in 2016 became a subsidiary of the Cultural Development Network (CDN). Since the merge, CA functions as a valuable research platform intended to build the evidence-base for the impacts of cultural practice.

The theory of change underpinning CA's research is that evidence-based evaluation of arts and cultural activities can inform and strengthen policy development, arm funders and decisions makers with reasons to invest, and raise the standards of public discourse. Therefore, CA's research activity contributes to addressing CDN's goal of a 'culturally rich and vibrant Australian society.'

In 2019, to achieve the goal of a culturally rich and vibrant Australian society CDN identified one objective:

- The *capability* of the local government cultural development sector is increased
- and *ideas, knowledge* and *insight* are gained.

CDN is primarily funded by contracts with State Government (Creative Victoria) and the Commonwealth Government (Australia Council for the Arts) and has a formal partnership with RMIT University's college of Design and Social Context who provide operational support through access to office spaces, facilities and services. In 2019, the business activities of CDN were defined by the existing funding agreements with Creative Victoria and the Australia Council for the Arts and consulting contracts with client councils and arts organisations.

## **Creative Victoria**

In 2019, Creative Victoria supported the operations of CDN by specifically focusing on support and services CDN could deliver to Victorian Councils to build culturally rich and vibrant municipalities.

These services were delivered through:

- Providing advice and training on cultural development planning;
- Making available current information and research resources;
- Managing forums, round table discussions and focus groups;
- Undertaking research into the impacts of arts and cultural activity in cultural development, and;
- Advocating the role and activities of local government arts and cultural development of State Government of Victoria.

# CULTURAL DEVELOPMENT NETWORK LIMITED AND CREATING AUSTRALIA LIMITED

## **Australia Council for the Arts**

In 2019, the Australia Council for the Arts supported the operations of CDN by specifically focusing on support and services CDN could deliver to local government to build culturally rich and vibrant municipalities.

These services were delivered through:

- Continuing the research and development initiated through the National Local Government Cultural Forum (2013-2018);
- Connecting the national local government cultural sector (560+ councils) by developing an on-line system for consistent, evidenced-based planning and evaluation.

## **Operating Results**

The main not-for-profit business operations in 2019 included:

- Completed the rapid development phase for WhiteBox at RMIT Activator LaunchHub program providing a sound footing for public sector investment in the development.
- Transitioning the WhiteBox project from development status using trial sites to a production version 1.0 that could be used in the field for beta-testing. This was enabled through the City of Perth and the City of Melbourne leading the investment in WhiteBox development.
- Commencement of WhiteBox development outside the local government sector by introducing the online service to cultural producers and state government departments in NSW and WA that have broader policy objectives.
- Working with a growing number of Australian councils, particularly in Victoria, adopting the CDN Cultural Development Planning Framework leading to an increase in published plans using or referencing the planning principles or the measurable outcomes of the framework.
- Strengthening international partnerships for future collaboration including Creative New Zealand, Canada Council, Arts Council England, Creative Scotland, USA organisations through Creative Strategies Council (San Francisco) and an MOU with UCLG recognising CDN planning and evaluation frameworks in their five international sectors.
- Working with the eight capital cities to form the Capital Cities Cultural Network, and extension of the National Local Government Cultural Forum agenda.

## **Review of Operations**

2019 opened as the third year of a four-year funding agreement with Australia Council for the Arts and third year in a four-year funding agreement with Creative Victoria. The following reports briefly describe the organisations corporate activities in 2019.

In August 2019, CDN was notified that it would not be included in the final round of companies applying for four-year funding from 2021, and that 2020 would be the final year of that form of funding for CDN.

# CULTURAL DEVELOPMENT NETWORK LIMITED AND CREATING AUSTRALIA LIMITED

## Governance

CDN is a company's limited by guarantee. It is the sole member of Creating Australia Company Limited. The CDN Directors is the nominated Board of Directors of Creating Australia. Both companies are governed by up to nine Board Directors. The CDN and the CA Board is required to meet a minimum of four times over an annual cycle. These meetings are usually scheduled as follows:

- March:** approve annual report on previous year
- May:** report on performance and program review from previous year
- October:** four-year strategic planning with the Board
- December:** approve Business Plan for the forthcoming commencing calendar year

For CDN, the Annual General Meeting is also held in conjunction with the May Board meeting each year.

Both Boards maintain an option for two other meetings for strategic discussion and reviews which are available if matters are not timed with the governance cycle.

CDN Management reports to both the CDN and the CA Board on financial performance and program performance against key indicators agreed to by the Boards in the CDN Business Plan. Both Boards act as Finance and Risk Management Committees. The CDN Board reviews the performance of the previous year of both companies and reports it in the May CDN Board meeting. The CDN Recruitment and Remuneration Committee is made up of the Chair, Deputy Chair and Treasurer and consider the Management report against program objectives of the previous year and adjust the CDN salary scale, considering CPI, organisation performance and financial position of the company. The Recruitment and Remuneration Committee oversee the pay structure and terms of employment contracts for CDN staff and recruitment of its Executive Officer. There are no employees of CA and the operations of the company are the responsibility of CDN Management.

The CDN and CA Board deliberates and decides on the nomination of the new Board Directors according to skills, representation and relationship relevant to the strategic plan. In 2019, Paul Holton was elected as Chair of both CDN and CA, Sarah Firth as Deputy Chair of both CA and CDN and Cr. Rod Fyffe as Treasurer of both CA and CDN and CDN Executive Officer, John Smithies, was delegated power to act as Company Secretary of CDN, already acting in this role for CA. The remaining members of CDN were elected as Directors of CA and CDN. In 2019, there was one Board vacancy.

## Membership

CDN has an emphasis on free subscriber membership where it engages with a larger community of over 1,700 subscribers through the website and regular e-bulletin newsletter.

The formal membership of the company is only applicable to Board Directors.

# **CULTURAL DEVELOPMENT NETWORK LIMITED AND CREATING AUSTRALIA LIMITED**

## **Management and Administration**

In 2019, CDN was managed by 3 staff, reaching a maximum of 2.4 EFT. The operations of the Company were carried out by John Smithies, Executive Officer (permanent full-time); Amy Stevenson, Administration Manager (permanent EFT 0.8 and departing in September); and Raji Uppal, Research Officer (part-time EFT 0.6, moving to full-time).

Dr. Kim Dunphy, University of Melbourne and Julie Marlow, Deep Rock Consulting engaged in consultancy work with CDN to support research initiatives throughout the year. Olga Yakubenko (University of Melbourne) and Nathan Stone (Australia Council, Emerging leaders Program) completed an internship with CDN in 2019. The organisation also contracted specialist services such as accounting, design, website management, IT support and database development, as required. CDN contract Fame Group as its accountant and bookkeeper, and the annual audit will be completed by Eric Townsend Co Pty Ltd.

CDN has been housed at RMIT University since 2012 and Moved to a new formal MOU (2020-2023) with the School of Art, in the College of Design and Social Context. This partnership sees office costs such as energy, communications, printing and security provided by the University.

CDN aims to maintain a cash balance suitable to cover cash flow, some modest growth and sufficient funds in the event of a wind-up of the company.

In our opinion, all appropriate information concerning the possible developments in and expected results of, CDN are contained in this report.

## **Communications**

CDN communicates with its constituency and promotes its programs and industry news, through a monthly e-bulletin, the CDN website and through networks associated with event partners such as universities, councils and the local government associations.

Key indicators of efficacy of our marketing are:

- Volume of requests for advice and expertise from a range of organisations and individuals including funding bodies, local governments, academics and art workers;
- Requests for publications from local, interstate and overseas organisations;
- Website visits, particularly to pages where CDN resources and tools are available
- eBulletin subscriptions

The organisations e-bulletin and the CDN website are the main communication channels used throughout the year.

# CULTURAL DEVELOPMENT NETWORK LIMITED AND CREATING AUSTRALIA LIMITED

## **eBulletin**

The CDN eBulletin includes policy updates, sector news, cultural development planning tips, new resources and publications, and promotion of funding and professional development and networking opportunities. In 2019, 12 editions were distributed to more than 1,400 subscribers. Subscribers include a predominance of local government workers particularly from arts and culture departments but also include academics, policy experts, educators, individual practitioners, artists and arts professionals.

## **CDN Website**

The CDN website offers three platforms for visitors to engage with the online content. These platforms include calls to action that invite visitors to stay informed by using CDN's publications to support their work; use the CDN guide to create a cultural development plan; and measure outcomes using the schema of measurable cultural outcomes created by CDN. In the 2019, the website was redesigned both in its look and format, placing an increased emphasis on guiding visitors through the planning framework. In 2019, the CDN website received 11,587 unique visitors, a 58% increase on last year's figure of 4,915 with 88% new to the site. There was an increase in the number of the Australian unique users from 2,872 to 3399. The key sources of users outside of Australia were the USA with 1962 users, a fourfold increase from the previous year's figure of 447, the Philippines with 1546 and India with 943 users.

<http://www.culturaldevelopment.net.au>

## **Program Report**

In 2019, CDN organised its business by responding to the CDN Strategic Plan 2019-2022. The strategic plan identifies the cultural objectives, or the intended outcomes, that assist CDN in reaching its goal of 'an Australia that has a vibrant and rich culture.' The outcomes that define a vibrant and rich culture are what we expect to happen when people engage with our cultural activities and there *is creativity stimulated, aesthetic enrichment, personal insight, diversity of cultural expression and a shared cultural heritage.*

These objectives reflect the values of the organisation that recognised the roles of arts and artists in cultural development with communities and the pivotal role that local government can make in successful cultural development.

An additional economic objective is for our sector's practice and professional capability to be increased. This impacts on local economies through more productive, better focused and responsive capability across the cultural development sector of arts, libraries and heritage.

Since releasing its schema of measurable cultural outcomes in 2016, there has been a growing demand on CDN for services and support in using the measures, across government tiers in Australia and internationally. This demand continued into 2019 and received a significant boost through the launch of WhiteBox in beta-testing in Perth and Melbourne in mid-2019.



# **CULTURAL DEVELOPMENT NETWORK LIMITED AND CREATING AUSTRALIA LIMITED**

## **Activities in 2019 responding to the objectives**

### **WhiteBox Outcomes Planning Platform**

A key objective emerging from the Cultural Forum (2013-2018) was to make the theory and frameworks it endorsed accessible to all local governments, producers, artists and communities. Over 2015-2018 CDN researched and developed the WhiteBox system to deliver an online service to all potential users wherever an Internet connection can be made.

The early investment by City of Perth, City of Melbourne and Beyond Empathy (NSW) enabled CDN to contract Beta launch company in May 2019 to take over software development and apply a team of programmers to moving the project from development to production and rolling-out beta-testing in the three locations, Perth, Melbourne and the Illawarra region of NSW.

Other councils and organisations maintaining their 'pilot' status using WhiteBox in 2019 were City of Casey (VIC), City of Parramatta (NSW), City of Adelaide (SA), Western Edge Youth Theatre (VIC), Women's Circus (VIC), Dionysus Events (ACT)

The progress to a public launch of WhiteBox in Perth obliged CDN to create a section on its website to introduce the WhiteBox system to a wider audience interested in CDN progress.

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

### **Planning and evaluation framework**

In 2019, CDN assisted six councils to directly write their new Cultural Development Plans by providing mentoring and guidance to managers. The City of Perth (WA), Town of Bassendean (WA), Bass Coast Shire (VIC), East Gippsland Shire (VIC), Mornington Peninsula Shire (VIC) and Strathbogie Shire (VIC) completed their cultural development plans based on CDN's Planning Framework. During the year other councils made contact regarding the framework and have independently accessed the 'step-by-step' guide to planning, from the CDN website.

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

Funding from Australia Council has enabled CDN to provide a free planning advice and a 'Plan Doctor' service to assist managers adapt or review current plans and provide additional advice when writing a new cultural development plan.

### **Capital Cities Cultural Network**

The National Local Government Cultural Forum initiative delivered its final report in early 2019 and the eight capital cities agreed to continue the work of the Cultural Forum as the Capital Cities Cultural Network (CCCN) and formed the intention to align itself to the Council of Capital City Lord Mayors (CCCLM). In 2019 the CCCN met in May and December and continued the support and development of the WhiteBox Outcomes Planning Platform.

# **CULTURAL DEVELOPMENT NETWORK LIMITED AND CREATING AUSTRALIA LIMITED**

## **Creating Australia Research Fund**

The final report of the Three Bark Canoes research project was delivered in 2019. Although it is a small report on a specific cultural activity, it was important in demonstrating the causal link between the cultural outcome nominated and the social outcome intended by the two Elders who initiated the activity. The Elders and community gave permission to CDN to publish and distribute the report and in 2019 it was provided to the Kimberley Aboriginal Law and Cultural Centre (KALACC) on request. CDN has maintained an ongoing relationship with KALACC to explore collaborative projects in 2019.

## **International and academic engagement**

The second year of the Tasmania-Jeju Artists Residency Exchange ran in 2019. This followed the first year where two artists from Tasmania and two artists from Jeju completed residencies in the reciprocal states. In 2019, the program was amended by the Jeju partner, Jeju Foundation for Arts and Culture (JFAC), and this placed a strain on the residency for the Tasmanian artists as the format provided in 2018 was not maintained in 2019. Despite this difficulty, the Australia Korea Foundation agreed to a further two years of funding to commence in 2020.

In March 2019, CDN attended the Conference of the International Federation of Arts Councils and Cultural Agencies (IFACCA) in Kuala Lumpur as a guest registrant. During the attendance CDN brokered an informal meeting of the Canada Council, Arts Council England and the New Zealand Ministry for Culture and Heritage as agencies interested in co-developing frameworks for measuring and evaluating program outcomes. This was followed up with further face to face meetings in UK and video conferences.

In April CDN presented the WhiteBox system and the CDN planning and evaluation framework in Helsinki at the Creative Lenses conference. CDN ran a full day workshop with executive and management of Creative Scotland following on from their inquiry and interest initiated in 2018. This was preceded further related meetings in London and Liverpool with Arts Council England, the British Council and the University of Liverpool.

CDN was invited to present a workshop in Barcelona by the UCLG Committee on Culture that included representatives from the City of Barcelona, local government in Catalunya and the University of Barcelona. This led to the initiation of a signed MOU between CDN and the world body UICLG in recognising the value of the frameworks developed by CDN and UCLG and that collectively support the strengthening of international local government cultural development.

## **Key program funding**

In 2018, CDN operated under the obligations defined in three funding agreements that support its core business.

# **CULTURAL DEVELOPMENT NETWORK LIMITED AND CREATING AUSTRALIA LIMITED**

## **Creative Victoria - Organisations Investment Program 2017-2020**

The three-year Organisations Investment Program (OIP) commenced in 2017. The terms of the contract require CDN to report on two outcomes by undertaking evaluation for one activity and to submit annual industry data. Outcomes must include one cultural outcome and either a social or economic outcome.

## **Australia Council for the Arts – Key Organisation Funding (2017-2020)**

The four-year Key Organisation Funding commenced in 2017. CDN is required to report against a minimum of five outcomes in 2017, from an outcomes list provided by the funder. The outcomes supplement the reporting requirements of the funding agreement, which includes submission of financial data, statistical data and qualitative information on key achievements.

## **Contracted consulting**

CDN received a noticeable increase in enquiries and requests for quotations from councils and cultural organisations in 2019 which converted into a material increase in CDN's revenue in this area when compared to other years. This includes investment from capital cities in the WhiteBox project. CDN manages the increasing demand on its service by sub-contracting those aspects of the contract that are not CDN's expertise and include a margin in the contracts to increase the company's equity.

## **After Balance Date Events**

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

## **Significant Changes**

There were no significant changes in 2019 that impact on the operations or future of CDN that are outside the normal funding cycles and uncertainties with public funding. CDN has confirmed funding for 2017-2020 through the Australia for the Arts Key Organisations funding program. CDN also has secured funding from Creative Victoria's Organisation Investment Program for 2017-2020, which has been extended to 2021.

## **Environmental Issues**

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

# CULTURAL DEVELOPMENT NETWORK LIMITED AND CREATING AUSTRALIA LIMITED

## Meetings of CDN Board Directors

The number of the meetings of the CDN Board Members and Directors held during the year ended December 2019 and the number of meetings attended by each member/director was:

Board Member & Director	CDN Meetings Number eligible to attend	CDN Meetings Number attended	CA Meetings Number eligible to attend	CA Meetings Number attended
Paul Holton	4	3	4	3
Sarah Firth	4	2	4	2
Rod Fyffe	4	1	4	1
Greg Box	4	3	4	2
Nick Hill	4	4	4	4
Hanut Singh Dodd	4	4	4	3
Lindy Allen	4	3	4	2
Michelle Zemancheff	4	4	4	4
John Smithies	-	-	4	4

## Information on CDN & CA Board Directors

CDN and CA are managed by Boards of volunteers with expertise in arts practice and management, academia, local and state government and the non-profit sector.

### Paul Holton, Chair

#### Joined CDN in 2003, appointed Chair 2015; joined CA in 2016, appointed Chair in 2016

Paul is Director Development with East Gippsland Shire Council. His role encompasses strategic management of Statutory Land Use Planning, Economic Development, Capital Projects and Council Enterprises across the East Gippsland Shire. He has worked in Local Government for over 20 years in areas such as arts facilities administration, cultural development, leisure facilities and events management. Paul was part of the team that initiated the highly successful Wangaratta Festival of Jazz. He is a former member of the Australia Council's Community Cultural Development Board.

# **CULTURAL DEVELOPMENT NETWORK LIMITED AND CREATING AUSTRALIA LIMITED**

## **Sarah Firth, Deputy Chair**

**Joined CDN in 2018 to fill Deputy Chair position; joined CA in 2018.**

Sarah is an award-winning comic artist, writer, and animator based in Melbourne. She also runs a small business, offering live illustration, graphic recording and strategic visualisation services for multiple clients across industries.

Some of her notable creative achievements have been, in 2006 Sarah was named one of Australia's top 25 artists aged under 25 and under in the 25/25 show by Art & Australia Magazine. In 2007 she received a commission and residency with Carriageworks, followed by a commission from Experimenta Media Art in 2010.

In 2012 she was awarded the Talking Difference Fellowship at the Immigration Museum, and her animated documentary Face to Face won The People's Choice Award in the Australian Shorts section of the Human Rights Arts and Film Festival. This led to a two-month long collaboration with the Arquetopia Foundation and the Imagina Museum in Mexico.

In 2017 she performed and had comic work in the Yogyakarta Biennale in Indonesia, the Lake International Comic Festival in the UK and the Ubud Writers and Readers Festival. In 2018 her comic collection Short Shorts was nominated for a Ledger Award, she received a Frankie Magazine Good Stuff Award, was a finalist in the Incinerator Social Change Art Award, and her graphic essay on complexity was listed in The Conversation's ten best literary comics in Australia.

She has a stack of self-published comics, a new illustrated book "Badass Mums" with Affirm Press, and comics in upcoming anthologies with Abrams Books, Picador and Allen & Unwin. She is currently working on her debut graphic novel thanks to the Creators Fund program.

## **Cr Rod Fyffe, Treasurer**

**Joined CDN in 2012, appointed Treasurer 2015; Joined CA in 2016, appointed Treasurer in 2016.**

Rod Fyffe has been a Councillor for the Greater Bendigo City Council since 1996 and Mayor in 2004, 2005 and 2011. He a member of the Board of the Municipal Association of Victoria (MAV) representing Rural North Central Victoria. He is also a member of the Insurance Committee, Chair of the Arts and Culture Committee and a member of the Professional Development Reference Group at MAV. Cr. Fyffe is a Member of the Ministerial Advisory Council on Libraries, a Member of the State Library Public Libraries Advisory Committee and a member of the Australian Packaging Covenant Council. He has been awarded the Victorian Councillor Service Award – 20 Years.

# **CULTURAL DEVELOPMENT NETWORK LIMITED AND CREATING AUSTRALIA LIMITED**

**Dr. Nicholas Hill, Director**

**Joined CDN in 2007 | Joined CA in 2016**

Nick Hill is a lecturer and arts manager. His qualifications include BA (Hons); PG DipM and MA. He completed his PhD at South Bank University, England, on – “The Folk and the People: Patronage and Promotion in the Tamasha of Maharashtra”. Previously he worked at South Bank University as Senior Lecturer in Arts Marketing and Course Director (Services Management program). His research interests include Arts & Patronage, South Asian Performing Arts (Folk – Popular – Traditional), Performing Arts Hybrids, Arts Marketing and Communications, Instrumental and Intrinsic Arts Benefits, Arts Ethnography, The lived experience and prism methodology. Nick currently works at International House, a residential college owned by the University of Melbourne.

**Hanut Singh Dodd, Director**

**Joined CDN 2006 | Joined CA 2016**

Hanut is a highly experienced cultural, heritage and tourism manager with skills in specialised areas such as museum management, cultural and environmental tourism, event management, exhibition development, public program management, architectural conservation, moveable cultural heritage and collection management. Hanut has more than ten years of experience working as a freelance curator and architectural conservator and has also worked for the NSW National Parks and Wildlife Service as Area Manager at the Hill End Historic Site, as Director of the National Wool Museum and for councils in Victoria including Cities of Melbourne, Port Phillip and Hume. Hanut has worked as a Project Manager with the Alpine Resorts Coordinating Council and currently works with the Department of Environment, Land, Water and Planning.

**Greg Box, Director**

**Joined CDN in 2011 | Joined CA in 2016**

Greg is currently the Manager of Creative Communities at Yarra Ranges Council. He has worked as an arts practitioner and administrator with many different communities from a diverse range of social and cultural backgrounds. Much of Greg’s work has focussed on building community partnerships and cultural development projects at Greater Dandenong and Yarra Ranges. In particular he has a strong background in creating public art in local government and helped establish SITE: RMIT Public Art within the school of art at RMIT.

# CULTURAL DEVELOPMENT NETWORK LIMITED AND CREATING AUSTRALIA LIMITED

**Lindy Allen, Director**

**Joined CDN in 2016: Joined CA in 2014, appointed Deputy Chair in 2016**

Lindy is a highly experienced senior executive, currently operating Living-Proof Media, an independent consultancy to the arts offering services including documentation, evaluation, writing and editing for publication. Recent professional roles include Chief Executive Officer of Regional Arts Australia (2012-2014) and Chief Executive Officer of Regional Arts Victoria (2004-2012). During 2012-2013, Lindy was Executive Producer for the Centenary of Canberra's largest national community engagement program, One River, spanning four states and a territory.

Current board roles include Falls Creek Resort Management, Winton Wetlands Committee of Management, Creating Australia and the Cultural Development Network. Former board roles include Lakes Entrance-based Aboriginal cultural organisation Wurrinbeena, the Narrandera-based arts organisation CAD Factory, Regional Arts Australia and Trustee of the Australian Children's Theatre Foundation. Other roles include judge and mentor for the Victorian Tourism Industry Commission Awards and Australia Day Ambassador.

Professional qualifications include Bachelor of Arts (University of Melbourne), Graduate Diploma Arts Management (University of South Australia), Photojournalism major, Bachelor of Creative Arts, Latrobe Uni Bendigo and Graduate Australian Institute of Company Directors (GAICD)

**Michelle Zemancheff, Director**

**Joined CDN in 2018: Joined CA in 2018**

Michelle Zemancheff is a cultural industry and local government professional, building on a former career in Law. Michelle's formal qualifications include a *Master of Arts (Arts Management) with Distinction* (RMIT), with her dissertation having researched the nuances of measuring cultural value and social impact; subsequent to a *Bachelor of Arts (Fine Art) with Distinction* (RMIT), and an *Advanced Diploma of Photography* (PSC). Michelle has over ten years' experience in cultural development in local government, having worked at Yarra City Council, and coordinated Arts and Culture at Nillumbik Shire Council, Michelle is the Arts & Culture Lead at Manningham Council, with a portfolio that encompasses cultural planning, policy development and strategic direction, together with a spectrum of cultural development ranging from creative industries, public art and community arts.

## **Indemnities and Insurance**

CDN is covered by Alliance Insurance to insure each of its Directors against liabilities for cost and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Board Member and Director of CDN and CA other than conduct involving wilful breach of duty in relation to CDN and CA. In accordance with normal commercial practice under the terms of insurance contracts, the nature of the liability insured against the amount of the premium is confidential.

# **CULTURAL DEVELOPMENT NETWORK LIMITED AND CREATING AUSTRALIA LIMITED**

## **Board Director and Member Benefits**

The Board Members and Directors of CDN are voluntary appointments made under the rules of Company constitutions. There is no annual membership fee to join either company. Neither during, nor since, the financial year have any Board Members received or been entitled to receive a benefit or remuneration from either company.

## **Board Member and Directors Interests in Contracts**

No Board Members or Directors of either company receive any pecuniary interest as a result of contract or dealing with the companies.



# CULTURAL DEVELOPMENT NETWORK LIMITED AND CREATING AUSTRALIA LIMITED

## Auditors' Independence Declaration

A copy of the auditor's independence has been received and is set out in page 16.

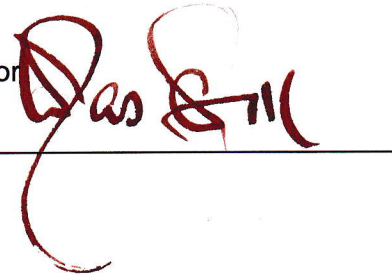
Signed in accordance with a resolution of the directors:

Dates this 30/4/20 ..... 2020

Director

Sarah Finn 

Director

Das Gill 

**CULTURAL DEVELOPMENT NETWORK LIMITED  
AND CREATING AUSTRALIA LIMITED**

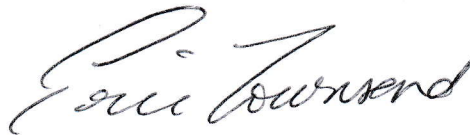
**AUDITORS' INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE  
CORPORATIONS ACT 2001 AND THE AUSTRALIAN CHARITIES AND NOT-FOR-  
PROFITS OF COMMISSION ACT 2012  
TO THE DIRECTORS OF CULTURAL DEVELOPMENT NETWORK LIMITED AND  
CREATING AUSTRALIA LIMITED**

We hereby declare, that to the best of our knowledge and belief, during the financial year 31<sup>st</sup> December 2019 there have been no:

- (i) contraventions of the auditor independence requirements as set out in the Corporations Act 2001 and the Australian Charities and Not-for-Profits Commission Act 2012 in relation to the audit; and
- (ii) contraventions of any applicable code of professional conduct in relation to the audit.

**Name of Firm:**

**E Townsend & Co**  
Chartered Accountant



**Name of Partner:**

Eric Townsend

**Address:**

15 Taylor Street Ashburton

Dated this.....30/4/20..... 2020

# CULTURAL DEVELOPMENT NETWORK LIMITED AND CREATING AUSTRALIA LIMITED

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31<sup>st</sup> DECEMBER 2019

		Consolidated Group		Cultural Development Network Ltd	
		2019	2018	2019	2018
		\$	\$	\$	\$
	<b>Note</b>				
Revenue	<b>2</b>	485,931	460,374	485,705	459,945
Expenditure					
Auditors' remuneration	<b>3</b>	4,932	5,612	4,812	4,612
Depreciation		1,541	1,659	1,477	1,451
Employee benefits expenses		235,083	268,772	235,083	268,772
Finance Costs		0	0	0	0
Infrastructure and Administrative		30,243	30,768	30,123	29,410
Marketing and Publications		7,472	1,730	7,472	1,730
Programs and Projects	<b>4</b>	203,410	147,609	203,410	147,609
Total expenditure		482,681	456,150	482,377	453,584
<b>Surplus (Deficit) before income tax</b>		3,250	4,224	3,328	6,361
Income Tax		0	0	0	0
<b>Surplus (Deficit) after income tax</b>		3,250	4,224	3,328	6,361
<b>Other Comprehensive Income</b>		0	0	0	0
<b>Surplus (Deficit) attributable to members of the entity</b>		3,250	4,224	3,328	6,361

The above statement is to be read in conjunction with the attached Notes to the Financial Accounts

# CULTURAL DEVELOPMENT NETWORK LIMITED AND CREATING AUSTRALIA LIMITED

## STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 31<sup>st</sup> DECEMBER 2019

	Note	Consolidated Group		Cultural Development Network Ltd	
		2019 \$	2018 \$	2019 \$	2018 \$
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	5	254,326	366,470	155,737	267,362
Trade and other receivables	6	105,113	12,442	105,113	12,442
Other current assets	7	3,649	5,329	3,649	5,329
<b>TOTAL CURRENT ASSETS</b>		<b>363,088</b>	<b>384,241</b>	<b>264,499</b>	<b>285,133</b>
<b>NON-CURRENT ASSETS</b>					
Property, plant and equipment	8	3,432	1,671	3,432	1,607
Financial Assets	9	0	0	0	0
<b>TOTAL NON-CURRENT ASSETS</b>		<b>3,432</b>	<b>1,671</b>	<b>3,432</b>	<b>1,607</b>
<b>TOTAL ASSETS</b>		<b>366,520</b>	<b>385,912</b>	<b>267,931</b>	<b>286,740</b>
<b>CURRENT LIABILITIES</b>					
Trade and other payables	10	50,160	34,000	49,359	32,694
Provisions	11	16,205	15,340	16,205	15,340
Income Rec' in Adv/Contract Liability		8,800	0	8,800	0
Grants in Advance/ Contract Liability		108,182	145,911	108,182	145,911
<b>TOTAL CURRENT LIABILITIES</b>		<b>183,347</b>	<b>195,251</b>	<b>182,546</b>	<b>193,945</b>
<b>NON-CURRENT LIABILITIES</b>					
Provisions	11	(621)	10,117	(621)	10,117
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>(621)</b>	<b>10,117</b>	<b>(621)</b>	<b>10,117</b>
<b>TOTAL LIABILITIES</b>		<b>182,726</b>	<b>205,368</b>	<b>181,925</b>	<b>204,062</b>
<b>NET ASSETS (LIABILITIES)</b>		<b>183,794</b>	<b>180,544</b>	<b>86,006</b>	<b>82,678</b>
<b>EQUITY</b>					
Retained Earnings	13	183,794	180,544	86,006	82,678
<b>TOTAL EQUITY</b>		<b>183,794</b>	<b>180,544</b>	<b>86,006</b>	<b>82,678</b>

The above statement is to be read in conjunction with the attached Notes to the Financial Accounts

# CULTURAL DEVELOPMENT NETWORK LIMITED AND CREATING AUSTRALIA LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>st</sup> DECEMBER 2019

	Notes	Retained Earnings \$	Total \$
<b>Consolidated Group</b>			
Balance at the end of 31 <sup>st</sup> December 2017	13	176,320	176,320
Surplus (Deficit) for the year ended 31 <sup>st</sup> December 2018		4,224	4,224
Balance at the end of the 31 <sup>st</sup> December 2018	13	180,544	180,544
Surplus (Deficit) for the year ended 31 <sup>st</sup> December 2019		3,250	3,250
Balance at the 31 <sup>st</sup> December 2019		183,794	183,794
	Notes	Retained Earnings \$	Total \$
<b>Cultural Development Network Limited</b>			
Balance at the end of 31 <sup>st</sup> December 2017	13	76,317	76,317
Surplus (Deficit) for the year ended 31 <sup>st</sup> December 2018		6,361	6,361
Balance at the end of the 31 <sup>st</sup> December 2018	13	82,678	82,678
(surplus (Deficit) for the year ended 31 <sup>st</sup> December 2019		3,328	3,328
Balance at the 31 <sup>st</sup> December 2019		86,006	86,006

The above statement is to be read in conjunction with the attached Notes to the Financial Accounts

# CULTURAL DEVELOPMENT NETWORK LIMITED AND CREATING AUSTRALIA LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> DECEMBER 2019

	Note	Consolidated Group		Cultural Development Network Limited	
		2019	2018	2019	2018
		\$	\$	\$	\$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
Operating Grant Receipts Inc GST		270,339	464,310	270,339	464,310
Interest Received		1,193	2,255	967	1,826
Other Revenue Inc GST		160,934	32,553	160,934	32,553
(Less) Payments to suppliers and employees		(541,308)	(518,925)	(540,563)	(516,580)
Finance costs		0	0	0	0
<b>Net cash provided by (used in) operating activities</b>	<b>14</b>	<b>(108,842)</b>	<b>(19,807)</b>	<b>(108,323)</b>	<b>(17,891)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Proceeds from Sale of property, plant & equipment					
Purchase of property, plant & equipment		(3,302)	0	(3,302)	0
<b>Net cash provided by (used in) investing activities</b>		<b>(3,302)</b>	<b>0</b>	<b>(3,302)</b>	<b>0</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
<b>Net cash provided by (used in) financing activities</b>					
Net Increase (decrease) in cash held		(112,144)	(19,807)	(111,625)	(17,891)
Cash at the beginning of the financial year		366,470	386,277	267,362	285,253
<b>Cash at the end of the financial year</b>	<b>5</b>	<b>254,326</b>	<b>366,470</b>	<b>155,737</b>	<b>267,362</b>

The above statement is to be read in conjunction with the attached Notes to the Financial Accounts

# **CULTURAL DEVELOPMENT NETWORK LIMITED AND CONTROLLED ENTITY CREATING AUSTRALIA LIMITED**

## **1 Statement of Significant Accounting Policies**

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001 and the Australian Charities and Not-for-profits Commission Act 2012.

The financial report covers Cultural Development Network Limited and controlled entity, Creating Australia Limited and are company's incorporated and domiciled in Australia.

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

### **Basis of Preparation**

The accounting policies set out below have been consistently applied to all years presented.

### **Reporting basis and conventions**

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

### **Accounting Policies**

#### **Principles of Consolidation**

A controlled entity is an entity over which the parent company has the power to govern the financial and operating policies so as to obtain benefits from its activities. There is one controlled entity Creating Australia Limited. As at reporting date the assets and liabilities and income and expense of the controlled entities is added into the consolidated accounts for the period that the entity was controlled during the financial year. All inter-group transactions and balances are eliminated on consolidation.

#### **Revenue**

Interest revenue 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.

Grant revenue is recognized as the Grant program is utilized or expended for programs that have designated performance requirements. The unused grant at the end of the year is now recognized in the balance sheet as a contract liability in prior years referred to as either Grant funds carried forward or Grant or Income in advance where the funds were recognized but the program expenditure had not yet commenced.

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

## **CULTURAL DEVELOPMENT NETWORK LIMITED AND CONTROLLED ENTITY CREATING AUSTRALIA LIMITED**

### **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 Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

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

### **Comparative Figures**

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

### **Critical Accounting Estimates and Judgments**

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

### **Key estimates – Impairment**

The group assesses impairment at each reporting date by evaluating conditions specific to the group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number a key estimates. No impairment has been recognized in respect of this financial year.

### **Income Taxation**

Cultural Development Network Limited and Controlled Entity is endorsed as a Charitable Institution and is exempt from income tax



## **CULTURAL DEVELOPMENT NETWORK LIMITED AND CONTROLLED ENTITY CREATING AUSTRALIA LIMITED**

### **Employee Benefits**

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

Long service leave is provided on a pro rata basis for all employees with in excess of 5 years service.

### **Property, Plant and Equipment**

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

#### **Property**

##### **Office equipment**

Office equipment is measured on the cost basis less depreciation and impairment losses.

The carrying amount of office equipment is reviewed annually by the directors to ensure it is not in excess of the recoverable amount from these assets.

#### **Depreciation**

The depreciable amount of all fixed assets including office equipment, is depreciated on a written down value (WDV) or a straight line basis over their useful lives to the group commencing from the time the asset is held ready for use.

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

<b>Class of Fixed Assets</b>	<b>Depreciation Rate</b>
Office Equipment	10.00-33.33%    Straight Line

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

## **CULTURAL DEVELOPMENT NETWORK LIMITED AND CONTROLLED ENTITY CREATING AUSTRALIA LIMITED**

### **Financial Instruments**

#### **Recognition**

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

#### **Loans and receivables**

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

#### **Financial liabilities**

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

#### **Impairment of assets**

At each reporting date, the group assesses whether there is objective evidence that an asset has been impaired by comparing future cash flows from that asset with its carrying value. In the case of available-for-sale assets, a prolonged decline in the value of the asset is considered to determine whether impairment has arisen. Impairment losses are recognised in the income statement.

#### **Provisions**

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

#### **Cash and Cash Equivalents**

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

#### **Contract Liabilities**

Contract Liabilities represent Grant Funds and Other Revenue that has not been utilized or expended as per program requirements. In prior years this liability has been referred to as Grant Funds Carried Forward or Income in Advance in the balance sheet as a current liability.

**CULTURAL DEVELOPMENT NETWORK LIMITED  
AND CONTROLLED ENTITY CREATING AUSTRALIA LIMITED**

	Consolidated Group		Cultural Development Network Limited	
	2019	2018	2019	2018
<b>2 Revenue</b>				
<b>Grant income</b>				
Australian Council - NSDI	0	150,000	0	150,000
Australian Council - CORE	214,222	212,100	214,222	212,100
Creative Victoria	60,000	60,000	60,000	60,000
Arts Vic Project	0	0	0	0
Grants Brought Forward	30,000	26,671	30,000	26,671
Less transfer to Grants carried fwd	0	(30,000)	0	(30,000)
<b>Grant funding income</b>	<b>304,222</b>	<b>418,771</b>	<b>304,222</b>	<b>418,771</b>
<b>Other Revenue</b>				
Conference	236	1,950	236	1,950
Reimbursements and Book Sales	2,753	0	2,753	0
Income Carried Forward	0	9,750	0	9,750
Other contracts	177,136	27,644	177,136	27,644
Sundry Income	391	4	391	4
<b>Other Revenue</b>	<b>180,516</b>	<b>39,348</b>	<b>180,516</b>	<b>39,348</b>
Interest received	1,193	2,255	967	1,826
<b>TOTAL REVENUE</b>	<b>485,931</b>	<b>460,374</b>	<b>485,705</b>	<b>459,945</b>
<b>3 Auditors' Remuneration</b>				
<b>Auditor's Remuneration paid or payable or payable to E Townsend &amp; Co</b>				
Auditing the financial report	3,300	3,800	3,300	3,300
Other Services (Financial Accounts)	1,632	1,812	1,512	1,312
	<b>4,932</b>	<b>5,612</b>	<b>4,812</b>	<b>4,612</b>
<b>4 Other Expenses</b>				
<b>Bad and doubtful debts</b>				
Trade Receivables	0	0	0	0
<b>Total bad and doubtful debts</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Rental expense on operating leases				
Operating Lease Minimum Lease				
Contingent Rentals on finance leases	0	0	0	0

**CULTURAL DEVELOPMENT NETWORK LIMITED  
AND CONTROLLED ENTITY CREATING AUSTRALIA LIMITED**

	Consolidated Group		Cultural Development Network Limited	
	2019	2018	2019	2018
<b>5 Cash and Cash Equivalents</b>				
<b>Reconciliation of cash</b>				
Cash at the end of the financial period as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:				
<b>Current Assets</b>				
Cash at Bank	25,187	11,926	19,638	5,632
Cash at Bank Investment Accounts	229,139	354,544	136,099	261,730
	<u>254,326</u>	<u>366,470</u>	<u>155,737</u>	<u>267,362</u>
<b>6 Trade and Other Receivables</b>				
<b>Current</b>				
Trade Debtors	70,902	12,442	70,902	12,442
Less: Provision for Impairment	0	0	0	0
Other receivables	34,211	0	34,211	0
Total Trade and other receivable	<u>105,113</u>	<u>12,442</u>	<u>105,113</u>	<u>12,442</u>
	Consolidated Group		Cultural Development Network Limited	
	2019	2018	2019	2018
<b>7 Other Current Assets</b>				
<b>Current</b>				
Prepayments	3,649	5,329	3,649	5,329
<b>8 Property, Plant and Equipment</b>				
Office Equipment at cost	16,404	13,932	16,404	13,102
Less: Accumulated depreciation	(12,972)	(12,261)	(12,972)	(11,495)
<b>Total Office Equipment</b>	<u>3,432</u>	<u>1,671</u>	<u>3,432</u>	<u>1,607</u>
<b>Total Property, Plant and Equipment</b>	<u>3,432</u>	<u>1,671</u>	<u>3,432</u>	<u>1,607</u>

**CULTURAL DEVELOPMENT NETWORK LIMITED  
AND CONTROLLED ENTITY CREATING AUSTRALIA LIMITED**

**Movements in Carrying Amounts**

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

**Consolidated Group**

	<b>Office Equipment</b>	<b>Total</b>
<b>Carrying amount at 30/06/2017</b>	<b>3,330</b>	<b>3,330</b>
<b>2018</b>		
Additions at cost	0	0
Disposals	0	0
Depreciation Expense	<u>(1,659)</u>	<u>(1,659)</u>
	<b>1,671</b>	<b>1,671</b>
<b>Carrying amount at end year 2018</b>		
<b>2019</b>		
Additions at cost	3,302	3,302
Disposals	0	0
Depreciation Expense	<u>(1,541)</u>	<u>(1,541)</u>
<b>Carrying amount at end year 2019</b>	<b>3,432</b>	<b>3,432</b>

<b>Cultural Development Network Limited</b>	<b>Office &amp; Equipment</b>	<b>Total</b>
<b>Carrying value at end of year</b>	<b>3,058</b>	<b>3,058</b>
<b>2018</b>		
Additions at cost	0	0
Disposals	0	0
Depreciation Expense	<u>(1,451)</u>	<u>(1,451)</u>
<b>Carrying amount at end year 2018</b>	<b>1,607</b>	<b>1,607</b>
<b>2019</b>		
Additions at cost	3,302	3,302
Disposals	0	0
Depreciation Expense	<u>(1,477)</u>	<u>(1,477)</u>
<b>Carrying amount at end year 2019</b>	<b>3,432</b>	<b>3,432</b>

**CULTURAL DEVELOPMENT NETWORK LIMITED  
AND CONTROLLED ENTITY CREATING AUSTRALIA LIMITED**

		<b>Consolidated Group</b>		<b>Cultural Development</b>	
		<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
<b>9</b>	<b>Financial Assets</b>				
	Creating Australia Network is a Company Limited by Guarantee				
	Unlisted investments at cost				
	Shares in subsidiary company	0	0	0	0
<b>10</b>	<b>Trade and Other Payables</b>				
	<b>Current – Unsecured Liabilities</b>				
	Trade payables	19,809	4,531	19,809	4,531
	Sundry Creditors	29,550	29,469	29,550	28,164
		<u><b>49,359</b></u>	<u><b>34,000</b></u>	<u><b>49,359</b></u>	<u><b>32,695</b></u>

**1 Provisions**

**Employee Benefits**

Current

Annual Leave		16,205	15,340	16,205	15,340
Long Service Leave		(621)	0	(621)	0
<b>Total Current at 31<sup>st</sup> December 2018</b>		<u><b>15,584</b></u>	<u><b>15,340</b></u>	<u><b>15,584</b></u>	<u><b>15,340</b></u>

**Provisions Non – Current**

Long Service Leave		0	10,117	0	10,117
<b>TOTAL PROVISIONS</b>		<u><b>15,584</b></u>	<u><b>25,457</b></u>	<u><b>15,584</b></u>	<u><b>25,457</b></u>

**CULTURAL DEVELOPMENT NETWORK LIMITED  
AND CONTROLLED ENTITY CREATING AUSTRALIA LIMITED**

**12 Equity and Members guarantee**

Cultural Development Network Limited and Controlled Entity is a company limited by guarantee. The members of the company have undertaken to contribute an amount not more than \$100.00 each to the property of the company if it is wound up whilst they are still members or within one year after they cease to be a member.

	<b>Consolidated Group</b>		<b>Cultural Development Network Limited</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
<b>13 Retained Earnings</b>				
Retained earnings (Accumulated losses) at the beginning of the financial year	180,544	176,320	82,678	76,317
Net profit (Net loss) attributable to members of the entity	3,250	4,224	3,328	6,361
Retained Earnings (Accumulated losses) at the end of the financial year	<b>183,794</b>	<b>180,544</b>	<b>86,006</b>	<b>82,678</b>

**14 Cash Flow Information**

<b>Reconciliation of Cash Flow from Operations with Profit/(Loss) after Income Tax</b>				
Surplus (Deficit) after tax	3,250	4,224	3,328	6,361
Non-cash flows in profit after tax				
Depreciation	1,541	1,660	1,477	1,451
Increase (Decrease) in Provisions	(9,873)	(5,449)	(9,873)	(5,449)
Changes in assets and liabilities				
(Increase) Decrease in Prepayments	1,680	(1,198)	1,680	(1,198)
Decrease/(Increase) in receivables	(92,671)	(1,185)	(92,671)	(1,185)
Increase / (Decrease) in payables	16,160	(12,499)	16,665	(12,511)
Increase / (Decrease) in Grants in advance	(37,729)	4,390	(37,729)	4,390
(Decrease)/Increase in Income in Advance	8,800	(9,750)	8,800	(9,750)
Cash flow from operations	<b>(108,842)</b>	<b>(19,807)</b>	<b>(108,323)</b>	<b>(19,807)</b>

**CULTURAL DEVELOPMENT NETWORK LIMITED  
AND CONTROLLED ENTITY CREATING AUSTRALIA LIMITED**

**15 Key Management Personnel Compensation**

	<b>Consolidated Group</b>		<b>CDN LTD</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Short Term Employee Benefits	126,649	127,830	126,649	127,830
Post Employment Benefits	12,032	11,760	12,032	11,760
<b>Total Key Management</b>	<b>138,681</b>	<b>139,590</b>	<b>138,681</b>	<b>139,590</b>

	<b>Consolidated Group</b>		<b>Cultural Development Network Limited</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>

**16 Capital and Leasing Commitments**

**Operating Lease Commitments**

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

Payable – minimum lease payments

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

Capital Expenditure commitments

Capital Expenditure commitments contracted for:

- Plant & Equipment purchases	0	0	0	0
- Capital Expenditure projects	0	0	0	0

Payable

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



**CULTURAL DEVELOPMENT NETWORK LIMITED  
AND CONTROLLED ENTITY CREATING AUSTRALIA LIMITED**

**17 Contingent Liabilities & Contingent Assets**

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

The existing Australia Council for the Arts four-year support operational funding is ceasing after the 2020 year and the Board and management has increased contacts with other parties regarding the operational business model and managing this transition is their primary focus for 2020-2021.

Other than this funding change and any likely contingent liability, no contingent liabilities or assets exist.

**18 Events after the Balance Sheet Date**

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

**19 Financial Instruments**

**a. Financial Risk Management**

The entity financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable.

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

i. **Treasury Risk Management**

The Board considers currency and interest rate exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

ii. **Financial Risks**

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

**Interest rate risk**

The company and the controlled entity is not exposed to any significant interest rate risk.

**Foreign currency risk**

The company and the controlled entity is not exposed to any significant foreign currency risk.

**Liquidity risk**

The entity manages liquidity risk by monitoring forecast cash flows and ensuring that sufficient liquid assets, mainly cash are available to pay debts as and when they become due and payable.

**Credit risk**

The company and the controlled entity are not exposed to any significant credit risk.

**Price risk**

The entity is not exposed to any material commodity price risk.

**CULTURAL DEVELOPMENT NETWORK LIMITED  
AND CONTROLLED ENTITY CREATING AUSTRALIA LIMITED**

**b. Interest Rate Risk and Financial Asset and Liability Maturity Analysis**

The entity's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities, is as follows:

**Financial asset and Financial liability maturity analysis**

**Consolidated Group**

	Within 1 Year		1 to 5 Years	
	2019	2018	2019	2018
<b>Financial Assets</b>	\$	\$	\$	\$
Cash & Cash equivalents	254,326	366,470	0	0
Receivables	105,113	12,442	0	0
Other Current Assets	3,649	5,329	0	0
<b>Total Financial Assets</b>	<b>363,088</b>	<b>384,241</b>	<b>0</b>	<b>0</b>

**Consolidated Group**

	Within 1 Year		1 to 5 Years	
	2019	2018	2019	2018
<b>Financial Liabilities</b>	\$	\$	\$	\$
Grants in Adv/Contract Liabilities	108,182	145,911	0	0
Income Adv/C'tract Liabilities	8,800	0	0	0
Trade and other payables	50,160	34,000	0	0
<b>Total Financial Liabilities</b>	<b>167,142</b>	<b>179,911</b>	<b>0</b>	<b>0</b>

**Cultural Development Network Ltd**

**Financial asset and Financial liability maturity analysis**

	Within 1 Year		1 to 5 Years	
	2018	2018	2019	2018
<b>Financial Assets</b>	\$	\$	\$	\$
Cash & Cash equivalents	155,737	267,362	0	0
Receivables	105,113	12,442	0	0
Other Current Assets	3,649	5,329	0	0
<b>Total Financial Assets</b>	<b>264,499</b>	<b>285,133</b>	<b>0</b>	<b>0</b>

**Cultural Development Network Ltd**

	Within 1 Year		1 to 5 Years	
	2019	2018	2019	2018
<b>Financial Liabilities</b>	\$	\$	\$	\$
Grants in Adv/Contract Liabilities	108,182	145,911	0	0
Inc' in Adv/Contract Liabilities	8,800	0	0	0
Trade and other payables	49,359	32,694	0	0
<b>Total Financial Liabilities</b>	<b>166,341</b>	<b>178,605</b>	<b>0</b>	<b>0</b>

**CULTURAL DEVELOPMENT NETWORK LIMITED  
AND CONTROLLED ENTITY CREATING AUSTRALIA LIMITED**

**c. Net Fair Values**

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to the financial statements.

**Sensitivity analysis**

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

	Consolidated		Cultural Development Network Ltd	
	Profit \$	Equity \$	Profit \$	Equity \$
Year ended 31 <sup>st</sup> December 2018				
+ or – 2% in interest rates	+/- 7,329	+/- 7,329	+/- 5,347	+/- 5,347
+ or – 10% in listed investments	0	0	0	0
Year ended 31 <sup>st</sup> December 2019				
+ or – 2% in interest rates	+/- 5,087	+/- 5,087	+/- 3,115	+/- 3,115
+ or – 10% in listed investments	0	0	0	0

**22 Related Party Transactions**

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

**23 Group Details**

The registered office of the group is:

Level 4  
411 Swanston Street (RMIT University Building 37)  
Melbourne Victoria Australia 3000

The principal place of business is at the registered office

**CULTURAL DEVELOPMENT NETWORK LIMITED  
AND CONTROLLED ENTITY CREATING AUSTRALIA LIMITED**

**DIRECTORS' DECLARATION PER SECTION 60.15 OF THE AUSTRALIAN  
CHARITIES AND NOT-FOR-PROFITS COMMISSION REGULATION 2013 AND  
THE CORPORATIONS ACT 2001**

The directors' of the group declares that:

1. The financial statements and notes, as set out on pages 1 to 36, are in accordance with the Corporations Act 2001 and the Australian Charities and Not-for-profit Commission Act 2012 (ACNC Act):
  - (a) comply with Australian Accounting Standards and the Corporations Regulations 2001; and the Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act)
  - (b) give a true and fair view of the financial position as at 31<sup>st</sup> December 2018 and of the performance for the year period ended on that date of the group.
2. In the director's opinion there are reasonable grounds to believe that the group will be able to pay its debts as and when they become due and payable

Signed in accordance with subsection 60.15(2) of the Charities and Not-for-profits Commission Act 2012 (ACNC Act) and the Corporations Act 2001

Dated this 30/4/20.....2020

Sarah Finn  
Director

Paul Gill  
Director

**CULTURAL DEVELOPMENT NETWORK LIMITED  
AND CONTROLLED ENTITY CREATING AUSTRALIA LIMITED**

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF CULTURAL DEVELOPMENT LIMITED AND  
CONTROLLED ENTITY CREATING AUSTRALIA NETWORK LIMITED**

**Opinion**

I have audited the financial report of the Cultural Development Limited and Controlled Entity Creating Australia Limited which comprises the Statement of Financial Position as at 31st December 2019, the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, and the Statement of Cash Flows for the year then ended, notes to the financial statements including a summary of significant accounting policies and the declaration by those charged with governance.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Cultural Development Network Limited and Controlled group as at the 31<sup>st</sup> December 2019 and its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards, the Corporations Act 2001 and The Australian Charities and Not-for-Profits Commission Act 2012.

**Basis for Opinion.**

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of my report. I am independent of the Entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

**Responsibilities of Management and Those Charged with Governance for the Financial Report**

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In preparing the financial report management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

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

## **CULTURAL DEVELOPMENT NETWORK LIMITED AND CONTROLLED ENTITY CREATING AUSTRALIA LIMITED**

### **Auditor's responsibility for the Audit of the Financial Report**

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

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

Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide the basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

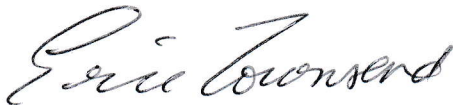
Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease or continue as a going concern.

**CULTURAL DEVELOPMENT NETWORK LIMITED  
AND CONTROLLED ENTITY CREATING AUSTRALIA LIMITED**

Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

**Name of firm**            E Townsend & Co



**Eric Townsend**

15 Taylor Street  
Ashburton VIC 3147

Dated this 30/4/20.....2020