

2018 Annual Report



Cultural Development Network
Level 4, 411 Swanston Street
(RMIT Building 37)
Melbourne, 3000
ABN: 57 399 480 298



**FINANCIAL REPORT
FOR THE YEAR ENDING
31st DECEMBER 2018**

CONTENTS

DIRECTOR'S REPORT	4
AUDITORS' INDEPENDENCE DECLARATION.....	15
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	17
STATEMENT OF FINANCIAL POSITION	18
STATEMENT OF CHANGES IN EQUITY	19
NOTES TO THE FINANCIAL STATEMENTS.....	21
DIRECTORS' DECLARATION	33
INDEPENDENT AUDITOR'S REPORT.....	34



Cultural Development Network Ltd and Creating Australia Ltd

Phone: +61 491 148 283

Email: contact@culturaldevelopment.net.au

Postal address: PO Box 12099, A'Beckett Street, Melbourne, VIC, Australia, 8006

Office street address: Level 4, 411 Swanston Street (RMIT University Building 37)

Melbourne, Victoria, Australia, 3000

ABN: 57 399 480 298

ACN: 616 129 812

**ABN 57 399 480 298
ACN: 616 129 812**

**ANNUAL REPORT AND FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018**

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 2018.

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 2018 CDN Annual General Meeting, board nominations were held. Paul Holton was elected as 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. In June 2018, Sarah Firth joined the Board as Deputy Chair.

Company Secretary

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

John Smithies.

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'.

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, no AGM was held in 2018.

CULTURAL DEVELOPMENT NETWORK LIMITED AND CREATING AUSTRALIA LIMITED

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 2018, to achieve the goal of a culturally rich and vibrant Australian society CDN identified two objectives:

- The *capability* of the local government cultural development sector is increased
- the *contribution* of CDN services to the Australian local government cultural development sector is valued.

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 School of Global, Urban and Social who provide operational support through access to office spaces, facilities and services. In 2018, 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 2018 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.

Australia Council for the Arts

In 2017 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:

- Managing and reporting on the National Local Government Cultural Forum through the Australia Council's Corporate Plan Funding;
- Connecting the work of National Local Government Cultural Forum with all 564 councils by developing an on-line system for the sector through the Australia Council's Four-Year Key Organisation Funding.

Operating Results

The main not-for-profit business operations in 2018 included:

- Managing two meetings of the National Local Government Cultural Forum (made up of representatives from eight capital cities, seven local government associations, and their national peak body Australia Local Government Association (ALGA), Commonwealth Ministry for the Arts, Australia Council for the Arts and RMIT University.) In 2018 CDN worked closely with the National Local Government Cultural Forum to contribute to integrated cultural development planning, data collection and evaluation in Australia, informing state, territory and Commonwealth governments.
- Established the trademarked title of WhiteBox outcomes planning platform as an online cultural activity building, recording and evaluating tool.
- Moved the testing of the planning and evaluation frameworks from theory and paper-based trials to the placement of trial WhiteBox online servers for a group of councils, institutions and arts organisation.
- Commenced a rapid development phase for WhiteBox at RMIT Activator LaunchHub program.
- Completed the first research associated with an Australian indigenous community using the CDN outcomes schema to measure causal link between cultural and social outcomes of cultural activities.
- A growing number of Australian councils, particularly in Victoria, adopted the CDN Cultural Development Planning Framework there was an increase in published plans using or referencing the planning principles or the measurable outcomes of the framework.
- The first input-output cultural dataset was collected by a sample set of Australian council to provide the first snapshot of local government 's contribution to cultural life in Australia.
- Finalised a working set of measurable outcomes of engagement in cultural activities across five domains of public policy; culture, economy, society, environment and governance.
- Continuing to validate the outcomes schema in various cultural and organizational settings in Australia and the Asia-Pacific.
- Working with RMIT University and other providers to develop opportunities to local government officers, through formal and informal events, seminars and conferences.

Review of Operations

2018 opened as the second year of a four-year funding agreement with Australia Council for the Arts and second year in a four-year funding agreement with Creative Victoria. The following reports briefly describe the organisations corporate activities in 2018.

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:

CULTURAL DEVELOPMENT NETWORK LIMITED AND CREATING AUSTRALIA LIMITED

- 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.

In addition, 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.

The National Local Government Cultural Forum (Cultural Forum) is a meeting of local government, state and commonwealth officers. The governance of the Cultural Forum is the responsibility of the CDN Board, with the CDN Chair being a member of the Cultural Forum. The Cultural Forum was chaired in 2018 by Penny Hutchinson, who previously acted as the CEO of Creative Victoria (previously Arts Victoria) for 13 years.

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 2018, Paul Holton was elected as Chair of both CDN and CA, 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 2018, two vacant director positions were filled including the position of Deputy Chair, allocated to a practicing artist and one vacant position remained on the CDN Board.

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.

Management and Administration

In 2018, 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 Holly Schäuble, Research Officer (permanent EFT 0.6). Raji Uppal joined CDN as a casual position following an internship in 2017. As funding for the National Local Government Cultural Forum was finishing in December 2018, Holly Schäuble left in 2018 as the position would not be funded beyond 2018.

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. Vanessa di Grazia (RMIT University, Melbourne) undertook an internship with CDN in 2018. 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 is currently supported through a formal MOU (2016-2020) with the School of Global, Urban and Social Sciences. This partnership sees office costs such as energy, communications, printing and security provided by the University. Since 2016, CDN has co-located with the Social and Global Studies Centre on Swanston Street, in the Melbourne city campus.

The organisation operates and reports on a calendar financial year. 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;
- 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.

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 2018, 10 editions were distributed to more than 1,700 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 2018 the CDN website received 4,915 unique visitor users, with 86% new and more than doubling the 2017 users of 1,971. There was a doubling of the Australian unique users from 1,370 to 2,872. The key sources of users outside of Australia were USA 447 and France 311, both increasing from 2017.

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

Program Report

In 2018, CDN organised its business by responding to the CDN Strategic Plan 2018-2021. The strategic plan identifies two objectives to assist CDN in reaching its goal of *'an Australia that has a vibrant and rich culture.'*

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.

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, both across government tiers in Australia and internationally. This demand continued into 2018 and as the schema was validated, CDN has responded by developing tools and services to assist councils and arts organisations

Activities in 2018 responding to Objective 1

Capability of the local government cultural development sector is increased.

Data collection trials

A key objective of the Cultural Forum is to identify and collect a set of headline data that tells the story of local government's contribution to cultural life in Australia. Over 2015-2017 the eight capital cities worked together to develop and trial a set of key inputs (resources applied) and outputs (activities and commitments) that could be collected and used to define this scope, based on council-led cultural development activities across arts, libraries and heritage.

In September 2017, the project engaged a statically valid sample of councils across all jurisdictions in Australia to partake in the data collection. Local Government Associations and Capital Cities in each jurisdiction worked with the Cultural Development Network to support these sample councils to participate in the trial that was completed and reported on in 2018.

This data collection on inputs and outputs at a council level, across 22 council types, and each Australian jurisdiction provided the first snap-shop of the scope of local governments activities in the cultural sector (arts, libraries and heritage).

Measurable outcomes of cultural activity

The cultural outcomes that form part of the larger schema of outcomes were released in 2016 for testing and validation and at the end of 2018 several local councils, arts organisations, public institutions, state governments and federal government agencies had worked with CDN to start integrating these evaluation measures into their programs. Creative Victoria built the measurable outcomes into the assessment framework for the 90 State funded arts organisations across Victoria. The City of Perth was the first Australian Capital City to build its Cultural Development Plan on the CDN planning framework. The City of Adelaide adopted the measurable outcomes along with the cities of Sydney, Brisbane and Melbourne. The City of Darebin led the non-capital city council in adopting the planning framework, followed by Nillumbik Shire, Golden Plains, Yarra Ranges Shire, East Gippsland Shire, Bass Coast Shire, Tamworth Regional Council, Town of Bassendean and City of Paramatta.

As the five measurable cultural outcomes were being validated through trials measurable outcomes of engagement in cultural activities that were measure in the economic, social, environmental and governance domains were finalised to a working group of outcomes for future validation.

Cultural Development Planning

In 2018, CDN responded to increasing requests for support and consulting on cultural development planning. To deal with the increasing demand CDN sub-contracted consultant Julie Marlow to work with CDN on planning consultation projects to learn the framework and build a skill-base for better planning in the consulting sector. CDN

expanded its consulting service to include research associated with activity planning, cultural development planning and evaluation. The consulting contracts were undertaken if they were built on CDN's planning and evaluation framework and built on CDN's practice knowledge which underpins the validation of the frameworks

WhiteBox Outcomes Planning Platform

The application of the planning and evaluation frameworks and theories in the sector remains a challenge when there are over 560 local government across Australia each with unique aspects on culture, economy, society and the built and natural environment. Scale varies from a few hundred in remote communities to 1.1 million in the City of Brisbane.

The development of 'WhiteBox' is a key piece of public sector infrastructure to allow consistent building of evidence-based and outcome-focussed cultural development activities. Using contemporary on-line networks and open source database platforms the new system will operationalise CDN's planning and evaluation framework. Without this capacity to use the knowledge in the field it will have minimal practical impact. Development of the system progressed in 2018 from paper-based trials to several trial sites of the WhiteBox online server at City of Perth, City of Adelaide, City of Casey, City of Darebin, City of Parramatta, the National Gallery of Australia, and two arts companies, Western Edge Youth Arts and Women's Circus.

Activities in 2017 responding to Objective 2:

Contribution of service organisation to the sector is valued

The National Local Government Cultural Forum

In 2018 the National Local Government Cultural Forum commenced the final year of its six-year program. Its prime function has been in promoting stronger cultural development practice in local government across Australia. The Forum offered a national perspective of local cultural development, bringing together the cultural managers from the eight Australian capital cities who offer their practice experience and leadership, representatives from the seven state and territory local government associations represented by staff of the policy units and the ACT cultural agency artsACT, representing Canberra and the national peak body for local government, Australian Local Government Association (ALGA). The other members are major national stakeholders, the Australia Council for the Arts and the Commonwealth Department for Communications and the Arts.

The Forum is managed by the Cultural Development Network (CDN) and chaired by Penny Hutchinson, former Director of Creative Victoria. The group meets twice yearly to set objectives, and between meetings CDN works to address the objectives, supported by members of the working groups.

The Cultural Forum commenced in 2013 for a three-year term, with meetings held in Canberra and Perth. In 2014, meetings were hosted in Brisbane and Darwin, in 2015, in Hobart and Adelaide. In 2015, the Forum received funding from the Australia Council for the Arts for a further three-year program, and meetings have been held twice annually in Melbourne during the period 2016-2018.

The Cultural Forum has maintained an 80-90% attendance and 100% participation by all original Cultural Forum member organisations. The Cultural Forum will be evaluated by its members in early 2019.

Creating Australia Research Fund

In 2018 the first CA funded research project '*Three Bark Canoes*' was completed, and the research report written. The research question was to provide evidence of a causal link between cultural outcomes and the social outcomes of cultural activities in Australian indigenous communities. In 3 Bark Canoes the elders identified the intended outcome of cultural outcome of 'belonging to a shared cultural heritage' to a social outcome of 'social

connectedness enhanced' to young Aboriginal men in the Lake Tyers region. Researchers from the Centre for Global Research, RMIT University, Peter Phipps and David Pollock completed their research in 2018 and are expected to deliver their final report in 2019.

International and academic engagement

Internationally, CDN presented another series of workshops on cultural development in Jeju Korea (May 2018) and Surabaya, Indonesia (September 2018). These workshops are coordinated by Cifal UNITAR Jeju and bring together 20-25 government planners and private sector cultural tourism planners and operators and academics from 10-12 Asia Pacific countries. These were CDN's 5th and 6th workshops since the program started in 2016.

Out of the strong relationship with the UCLG ASPAC Committee on Culture and with the Special Self-Governing Province of Jeju, CDN was able to negotiate an artists' exchange between the Korean island state of Jeju and Australia's island State Tasmania, funded through the Australia-Korea Foundation. The first exchange of two Jeju artists and two Tasmanian artists ran from September to November 2018. The activity was developed to trial the WhiteBox outcomes planning platform in an international setting. The first exchange program will be evaluated in early 2019.

In August, CDN presented the results of a national review of Australian council and cultural development plans at the International Conference on Cultural Policy Research held in Tallinn.

In 2018, CDN was invited to write the Australian chapter in an international survey on cultural governance. The book is due for publication in 2019 *Cultural Governance in a Global Context*, edited by I. King and A. Schramme.

Key program funding

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

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.

Australia Council for the Arts – National Local Government Cultural Forum 2015-2018

The Corporate Planning Funding supported the ongoing delivery of the National Local Government Cultural Forum for the period of 2015-2018. CDN provides a report directly to the Australia Council Board at the end of each funded year.

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.

CULTURAL DEVELOPMENT NETWORK LIMITED AND CREATING AUSTRALIA LIMITED

Significant Changes

There were no significant changes in 2017 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.

Environmental Issues

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

Meetings of CDN Board Directors

The number of the meetings of the CDN Board Members and Directors held during the year ended December 2018 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	4	4	4
Sarah Firth	3	3	3	3
Rod Fyffe	4	3	4	3
Greg Box	4	4	4	4
Nick Hill	4	4	4	4
Hanut Singh Dodd	4	4	4	4
Lindy Allen	4	3	4	3
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.

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.

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.

Dr. Nicholas Hill, Director

Joined CDN in 2007 | Joined CA in 2016

Nick Hill is an experienced broad-band marketing and external relations professional, as well as an experienced lecturer and arts manager. In 2018, Nick held the position of Deputy Head of College at International House, University of Melbourne. His areas of expertise include leadership in international relations and business partnership development, particularly in education and cultural dialogue, managing engagement, enterprise risk and governance; and sustainability through commercial service, programme and research policy application. 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.

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.

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, 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.

Michelle Zemancheff, Director

Joined CDN in 2018: Joined CA in 2018

Michelle Zemancheff is a cultural industry and local government professional with almost a decade's experience, 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 is currently the Coordinator of Arts and Cultural Development at Nillumbik Shire Council. Her portfolio encompasses cultural planning, policy development and strategic direction. She is also responsible for a spectrum of cultural development that ranges 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.

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 auditors' independence has been received and is set out on page 19.

Signed in accordance with a resolution of the directors:

Dated this 21st day of March 2019


Director


Director

**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 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 31st December 2018 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 Vic 3147

Dated this *21st March* **2019**

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

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31st DECEMBER 2018**

	Note	Consolidated Group		Cultural Development Network Ltd	
		2018 \$	2017 \$	2018 \$	2017 \$
Revenue	2	460,374	445,940	459,945	445,390
Expenditure					
Auspice Program		0	0	0	0
Auditors'	3	5,612	7,560	4,612	4,600
Depreciation		1,659	1,704	1,451	1,394
Employee benefits		268,772	258,236	268,772	258,236
Finance Costs		0	0	0	0
Infrastructure and		30,768	43,750	29,410	34,334
Marketing and		1,730	2,431	1,730	2,431
Programs and	4	147,609	134,687	147,609	134,687
Total expenditure		456,150	448,368	453,584	435,682
Surplus (Deficit) before income tax		4,224	(2,428)	6,361	9,708
Income Tax		0	0	0	0
Surplus (Deficit) after income tax		4,224	(2,428)	6,361	9,708
Other Comprehensive Income		0	0	0	0
Surplus (Deficit) attributable to members of the entity		4,224	(2,428)	6,361	9,708

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 31st DECEMBER 2018**

		Consolidated Group		Cultural Development Network Ltd	
	Note	2018 \$	2017 \$	2018 \$	2017 \$
CURRENT ASSETS					
Cash and cash equivalents	5	366,470	386,277	267,362	285,253
Trade and other receivables	6	12,442	11,257	12,442	11,257
Other current assets	7	5,329	4,131	5,329	4,131
TOTAL CURRENT ASSETS		384,241	401,665	285,133	300,641
NON-CURRENT ASSETS					
Property, plant and equipment	8	1,671	3,331	1,607	3,058
Financial Assets	9	0	0	0	0
TOTAL NON-CURRENT ASSETS		1,671	3,331	1,607	3,058
TOTAL ASSETS		385,912	404,996	286,740	303,699
CURRENT LIABILITIES					
Trade and other payables	10	34,000	46,499	32,694	45,205
Provisions	11	15,340	23,192	15,340	23,192
Income Rec'd in Adv/Contract Liability		0	9,750	0	9,750
Grants in Advance/ Contract Liability		145,911	141,521	145,911	141,521
TOTAL CURRENT LIABILITIES		195,251	220,962	193,945	219,668
NON-CURRENT LIABILITIES					
Provisions	11	10,117	7,714	10,117	7,714
TOTAL NON-CURRENT LIABILITIES		10,117	7,714	10,117	7,714
TOTAL LIABILITIES		205,368	228,676	204,062	227,382
NET ASSETS (LIABILITIES)		180,544	176,320	82,678	76,317
EQUITY					
Retained Earnings	13	180,544	176,320	82,678	76,317
TOTAL EQUITY		180,544	176,320	82,678	76,317

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 31st DECEMBER 2018

Consolidated Group	Notes	Retained Earnings \$	Total \$
Balance at the end of 31 st December 2016	13	178,748	178,748
Profit (Loss) for the year ended 31 st December 2017		(2,428)	(2,428)
Balance at the end of the 31 st December 2017	13	176,320	176,320
Profit (Loss) for the year ended 31 st December 2018		4,224	4,224
Balance at the 31 st December 2018		180,544	180,544

Cultural Development Network Limited	Notes	Retained Earnings \$	Total \$
Balance at the end of 31 st December 2016	13	66,609	66,609
Profit (Loss) for the year ended 31 st December 2017		9,708	9,708
Balance at the end of the 31 st December 2017	13	76,317	76,317
Profit (Loss) for the year ended 31 st December 2018		6,361	6,361
Balance at the 31 st December 2018		82,678	82,678

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 31st DECEMBER 2018**

Note	Consolidated Group		Cultural Development Network Limited	
	2018	2017	2018	2017
	\$	\$	\$	\$
CASH FLOW FROM OPERATING ACTIVITIES				
Operating Grant Receipts Inc GST	464,310	462,000	464,310	462,000
Interest Received	2,255	2,500	1,826	1,950
Other Revenue Inc GST	32,553	38,622	32,553	38,622
(Less) Payments to suppliers and employees	(518,925)	(445,678)	(516,580)	(433,723)
Finance costs	0	0	0	0
Net cash provided by (used in) operating activities	(19,807)	57,444	(17,891)	68,849
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from Sale of property, plant & equipment				
Purchase of property, plant & equipment	0	(1,653)	0	(1,653)
Net cash provided by (used in) investing activities	0	(1,653)	0	(1,653)
CASH FLOWS FROM FINANCING ACTIVITIES				
Net cash provided by (used in) financing activities				
Net Increase (decrease) in cash held	(19,807)	55,791	(17,891)	67,196
Cash at the beginning of the financial year	386,277	330,486	285,253	218,057
Cash at the end of the financial year	5 366,470	386,277	267,362	285,253

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

NOTES TO THE FINANCIAL STATEMENTS

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 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

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.

CULTURAL DEVELOPMENT NETWORK LIMITED AND CREATING AUSTRALIA LIMITED

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:

Class of Fixed Assets	Depreciation Rate
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.

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.

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

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.

2	Revenue	Consolidated Group		Cultural Development Network Limited	
		2018 \$	2017 \$	2018 \$	2017 \$
Grant income					
	Australian Council -	150,000	150,000	150,000	150,000
	Australian Council -	212,100	210,000	212,100	210,000
	Creative Victoria	60,000	60,000	60,000	60,000
	Arts Vic Project	0	0	0	0
	Grants Brought	26,671	15,000	26,671	15,000
	Less transfer to	(30,000)	(26,671)	(30,000)	(26,671)
	Grant funding income	418,771	408,329	418,771	408,329
	Other Revenue				
	Memberships	0	0	0	0
	Conference	1,950	1,773	1,950	1,773
	Book Sales and reimbursements	0	0	0	0
	Income Carried Forward	9,750	0	9,750	0
	Other contracts	27,644	33,104	27,644	33,104
	Sundry Income	4	234	4	234
	Other Revenue	39,348	35,111	39,348	35,111
	Interest received	2,255	2,500	1,826	1,950
	TOTAL REVENUE	460,374	445,940	459,945	445,390
3 Auditors' Remuneration					
	Paid or payable to E Townsend & Co				
	Auditing the financial report	3,800	3,800	3,300	3,300
	Other Services (Financial Accounts)	1,812	3,760	1,312	1,300
		5,612	7,560	4,612	4,600
4 Other Expenses					
	Bad and doubtful debts				
	Trade Receivables	0	0	0	0
	Total bad and doubtful debts	0	0	0	0
	Rental expense on operating leases				
	Operating Lease Minimum Lease				
	Contingent Rentals on finance	0	0	0	0

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

5	Cash and Cash Equivalents	Consolidated Group		Cultural Development Network Ltd	
		2018	2017	2018	2017
Reconciliation of cash					
Cash at the end of the financial period as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:					
Current Assets					
	Cash at Bank	11,926	19,425	5,632	10,786
	Cash at Bank Investment Accounts	354,544	366,852	261,730	274,467
		<u>366,470</u>	<u>386,277</u>	<u>267,362</u>	<u>285,253</u>
6 Trade and Other Receivables					
	Current	2018	2017	2018	2017
	Trade Debtors	12,442	11,257	12,442	11,257
	Less: Provision for Impairment	0	0	0	0
	Other receivables	0	0	0	0
	Total Trade and other receivable	<u>12,442</u>	<u>11,257</u>	<u>12,442</u>	<u>11,257</u>
7 Other Current Assets					
		Consolidated Group		Cultural Development Network Limited	
		2018	2017	2018	2017
	Prepayments	5,329	4,131	5,329	4,131
8 Property, Plant and Equipment					
	Office Equipment at cost	13,932	15,022	13,102	13,102
	Less: Accumulated depreciation	(12,261)	(11,691)	(11,495)	(10,044)
	Total Office Equipment	<u>1,671</u>	<u>3,331</u>	<u>1,607</u>	<u>3,058</u>
	Total Property, Plant and	<u>1,671</u>	<u>3,331</u>	<u>1,607</u>	<u>3,058</u>

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

Movements in Carrying Amounts

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

Consolidated Group	Office Equipment	Total
Carrying amount at 30/06/2016	3,382	3,382
2017		
Additions at cost	1,653	1,653
Disposals	0	0
Depreciation Expense	(1,704)	(1,704)
Carrying amount at end year 2017	3,331	3,331
2018		
Additions at cost	0	0
Disposals	0	0
Depreciation Expense	(1,660)	(1,660)
Carrying amount at end year 2018	1,671	1,671
Cultural Development Network Limited	Office & Equipment	Total
Carrying value at end of year 2017	2,800	2,800
Additions at cost	1,652	1,652
Disposals	0	0
Depreciation Expense	(1,394)	(1,394)
Carrying amount at end year 2017	3,058	3,058
2018		
Additions at cost	0	0
Disposals	0	0
Depreciation Expense	(1,451)	(1,451)
Carrying amount at end year 2018	1,607	1,607

9 Financial Assets	Consolidated Group		Cultural Development	
	2018	2017	2018	2017
Creating Australia Network is a Company Limited by Guarantee				
Unlisted investments at cost				
Shares in subsidiary company	0	0	0	0

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

10 Trade and Other Payables	Consolidated Group		Cultural Development	
	2018	2017	2018	2017
Current – Unsecured Liabilities				
Trade payables	4,531	14,915	4,531	14,915
Sundry creditors	29,469	31,584	28,164	30,290
	<u>34,000</u>	<u>46,499</u>	<u>32,695</u>	<u>45,205</u>

11 Provisions	Consolidated Group		Cultural Development	
	2018	2017	2018	2017
Employee Benefits				
Current				
Annual Leave	15,340	23,192	15,340	23,192
Long Service Leave	0	0	0	0
Total Current at 31st December 2017	<u>15,340</u>	<u>23,192</u>	<u>15,340</u>	<u>23,192</u>
Provisions				
Long Service Leave	10,117	7,714	10,117	7,714
TOTAL PROVISIONS	<u>10,117</u>	<u>30,906</u>	<u>10,117</u>	<u>30,906</u>

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.

13 Retained Earnings	Consolidated Group		Cultural Development Network Limited	
	2018	2017	2018	2017
Retained earnings (Accumulated losses) at the beginning of the financial year	176,320	178,748	76,317	66,609
Net profit (Net loss) attributable to members of the entity	4,224	(2,428)	6,361	9,708
Retained Earnings (Accumulated losses) at the end of the financial year	<u>180,544</u>	<u>176,320</u>	<u>82,678</u>	<u>76,317</u>

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

14 Cash Flow Information	Consolidated Group			
	2018	2017	2018	2017
Reconciliation of Cash Flow from Operations with Profit/(Loss) after Income Tax				
Surplus (Deficit) after tax	4,224	(2,428)	6,361	9,708
Non-cash flows in profit after tax				
Depreciation	1,660	1,704	1,451	1,394
Increase (Decrease) in Provisions	(5,449)	11,860	(5,449)	11,860
Changes in assets and liabilities				
(Increase) Decrease in Prepayments	(1,198)	(624)	(1,198)	(624)
Decrease/(Increase) in receivables	(1,185)	7,847	(1,185)	7,847
Increase / (Decrease) in payables	(12,499)	16,614	(12,511)	16,193
Increase / (Decrease) in Grants in	4,390	21,521	4,390	12,721
(Decrease)/Increase in Income in	(9,750)	950	(9,750)	9,750
Cash flow from operations	(19,807)	57,444	(17,891)	68,849

15 Key Management Personnel Compensation

	Consolidated Group		CDN LTD	
	2018	2017	2018	2017
Short Term Employee Benefits	127,830	105,870	127,830	105,870
Post Employment Benefits	11,760	10,058	11,760	10,058
Total Key Management	139,590	115,928	139,590	115,928

16 Capital and Leasing Commitments

	Consolidated Group		CDN Ltd	
	2018	2017	2018	2017
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

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

	Consolidated Group		CDN Ltd	
	2018	2017	2018	2017
Capital Expenditure commitments Capital Expenditure commitments contracted for:				
- Plant & Equipment purchases	0	0	0	0
- Capital Expenditure projects Payable	0	0	0	0
- 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

17 Contingent Liabilities & Contingent Assets

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

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.

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

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.

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	
Financial Assets	2018	2017	2018	2017
	\$	\$	\$	\$
Cash & Cash equivalents	366,470	386,277	0	0
Receivables	12,442	11,257	0	0
Other Current Assets	5,329	4,131	0	0
Total Financial Assets	384,241	401,665	0	0

Consolidated Group	Within 1 Year		1 to 5 Years	
Financial Liabilities	2018	2017	2018	2017
	\$	\$	\$	\$
Grants in Advance/ Contract Liabilities	145,911	141,521	0	0
Income in Advance/ Contracted Liabilities	0	9,750	0	0
Trade and other payables	34,000	46,499	0	0
Total Financial Liabilities	179,911	197,770	0	0

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

Cultural Development Network Ltd

Financial asset and Financial liability maturity analysis

Financial Assets	Within 1 Year		1 to 5 Years	
	2018	2017	2018	2017
	\$	\$	\$	\$
Cash & Cash equivalents	267,362	285,213	0	0
Receivables	12,442	11,257	0	0
Other Current Assets	5,329	4,131	0	0
Total Financial Assets	285,133	300,641	0	0

Cultural Development Network Ltd

Financial Liabilities	Within 1 Year		1 to 5 Years	
	2018	2017	2017	2017
	\$	\$	\$	\$
Grants in Adv/Contract Liabilities	145,911	191,521	0	0
Inc' in Adv/Contract Liabilities	0	9,750	0	0
Trade and other payables	32,694	45,205	0	0
Total Financial Liabilities	178,605	196,476	0	0

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 expose in interest rates and equity prices (if equities held). The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

These sensitivities assume that the movement in any particular variable is independent of other variables.

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

	Consolidated		CDN Ltd	
	Profit \$	Equity \$	Profit \$	Equity \$
Year ended 31 st December 2017				
+ or – 2% in interest rates	+/- 7,726	+/- 7,726	+/- 5,705	+/- 5,705
+ or – 10% in listed investments	0	0	0	0
Year ended 31 st December 2018				
+ or – 2% in interest rates	+/- 7,329	+/- 7,329	+/- 5,347	+/- 5,347
+ 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 CREATING AUSTRALIA LIMITED**

DIRECTORS' DECLARATION

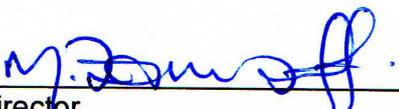
**PER SECTION 60.15 OF THE AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS
COMMISSION REGULATION 2013 AND THE CORPORATIONS ACT 2001**

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 31st 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 21st day of March 2019



Director



Director

CULTURAL DEVELOPMENT NETWORK LIMITED AND 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 2018, 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 31st December 2018 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.

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.

