

ANNUAL REPORT 2016/17

MELBOURNE
CONVENTION
BUREAU





CONTENTS

INTRODUCTION	4	GREAT REWARDS LIVE HERE	14
Minister's message	5	Results and activities for Incentives and Corporate Meetings	15
Chairman's message	6		
CEO's message	7	GREAT PARTNERSHIPS LIVE HERE	16
		Results for Partnerships	17
GREAT RESULTS LIVE HERE	8		
Overall results snapshot 2016/17	9	GREAT IDEAS LIVE HERE	18
		Asia-Pacific Incentives and Meetings Expo	19
GREAT MINDS LIVE HERE	10	Melbourne Edge Event Series	19
Results and activities for International and National Associations	11	Future of the Business Meetings Industry Report	20
Case study - 23rd Intelligent Transport Systems World Congress	12	New brand positioning launch	20
Building an events calendar	13		
		DIRECTORS' REPORT	21



A photograph of a city skyline at dusk, featuring several tall skyscrapers with illuminated windows. In the foreground, a bridge with ornate railings spans a body of water, which reflects the city lights. A large orange triangle is positioned on the left side of the image, partially obscuring the skyline.

INTRODUCTION

MINISTER'S MESSAGE



Business events are the cornerstone of the Victorian visitor economy and the State Government is pleased to support Melbourne Convention Bureau (MCB) in its ongoing work to build on its success and continue Melbourne's reign as Australia's business events capital.

Our state's reputation for delivering successful business events is derived from Melbourne's impressive infrastructure, including conference facilities and accommodation options, our thriving knowledge economy and world-leading research institutes, an unrivalled major events calendar, unique attractions and an impressive track record of success.

MCB successfully leverages these assets, making business events the highest yielding sector of the visitor economy, delivering \$9.8 billion and 65,000 jobs annually to the state of Victoria.

Conferences attract high yield delegates and this is recognised in the Victorian Visitor Economy Strategy. The aim is to increase visitor spending to \$36.5 billion annually and generate 320,700 jobs by 2025, and MCB is on track to help achieve these targets.

Thank you to the MCB team, led by CEO Karen Bolinger, for its dedication to maintaining Melbourne and Victoria's position as a premier business events destination. It is their commitment and collaborative Team Melbourne approach that places Melbourne in a strong position to continue to innovate and evolve the sector to keep delivering high impact results for the state.

We look forward to continuing the strong working relationship between MCB and the State Government.

A handwritten signature in black ink that reads "John Eren". The signature is fluid and cursive.

The Hon. John Eren
Minister for Tourism and Major Events
Minister for Sport
Minister for Veterans

CHAIRMAN'S MESSAGE



I am pleased to report that in the 2016/17 financial year Melbourne Convention Bureau (MCB) exceeded targets for securing events, economic contribution and delegates. It is an outstanding achievement in a changing environment as MCB became a subsidiary of Visit Victoria.

It has been business as usual for MCB, securing 194 international and national business events for Victoria, with a forecasted economic impact of more than \$321 million, 17 per cent over target, and expected to bring 66,866 delegates to the state over the coming years.

MCB continues to focus its strategy on winning business that delivers the most benefit back to our stakeholders and partners, while also building a highly respected business events brand for Victoria.

International Association events are the most lucrative and we secured 36 of these, which will contribute 70 per cent of our economic contribution for the year.

In our incentive business, both old and emerging markets drive our success, with 158 events secured, delivering \$95.5 million in economic contribution and 27,911 delegates over the next 2 years.

MCB is working closely with the Melbourne Convention and Exhibition Centre establishing strategies that will see the new expansion at capacity year-round.

Once again, I pay tribute to Karen Bolinger and the whole MCB team, to our stakeholders and our partners for working with us to achieve this year's excellent results.

A handwritten signature in black ink, appearing to read 'Chris Barlow'.

Chris Barlow
Chairman
Melbourne Convention Bureau



CEO'S MESSAGE



It is with great pride that MCB present its 2016/17 financial year results in what has been our most innovative year yet.

MCB has again beaten all our targets demonstrating that MCB is a team of passionate and strategic individuals, committed to ensuring Victoria maintains its position as a premier business events destination and delivers significant outcomes to the visitor economy.

While we have a proven track record of success, in an increasingly competitive global environment we have recognised the need to continually innovate to deliver even more for the state and our stakeholders and partners. We have revitalised the business events brand for Melbourne, highlighting that Melbourne is Australia's knowledge capital thanks to our unprecedented thriving research and innovation hubs, combined with the great minds who conduct their work there.

This year also saw the launch of MCB's The Future of Business Meetings Industry Report 2016. The report examined how the industry will evolve over the next 25 years and an analysis of the business events attendees of the future.

Twenty-five years of the Asia-Pacific Incentives & Meetings Expo (AIME) was also celebrated, a significant achievement for the organisation, particularly as we are the only convention and visitor's bureau in the world to own such an event.

Our mandate continues to be on filling our state through international association and incentive reward groups who are going to stay in our hotels and visit our venues, restaurants, attractions and regions – and we did just that.

Melbourne was officially recognised as the number one city in Australia for delegate attendance, attracting the highest number of attendees to international association meetings held in Melbourne. Produced by the International Congress and Convention Association, the Country and City Ranking Report saw Melbourne ranked number one in Australia.

I would like to acknowledge the support we have received throughout the year from the Victorian State Government, City of Melbourne, Melbourne Convention and Exhibition Centre and our industry partners.

We look forward to another successful year in delivering new business to the state creating trade, investment and commerce opportunities.

A handwritten signature in black ink, appearing to read 'KB for'.

Karen Bolinger
Chief Executive Officer
Melbourne Convention Bureau

A vibrant nighttime photograph of a city skyline, likely New York City, featuring the Empire State Building and other skyscrapers. A large, colorful fireworks display is exploding in the dark sky above the buildings. In the foreground, a large crowd of people is gathered on a bridge, illuminated by streetlights. The scene is festive and celebratory.

**GREAT
RESULTS
LIVE
HERE**



OVERALL RESULTS SNAPSHOT 2016/17

MCB is pleased to present its overall results for 2016/17 financial year exceeding targets for economic contribution, delegates and events secured.



194

EVENTS WON



67K

DELEGATES



\$321M

ECONOMIC CONTRIBUTION

**GREAT
MINDS
LIVE
HERE**



INTERNATIONAL AND NATIONAL ASSOCIATIONS ACTIVITY AND SUCCESS

Melbourne is Australia's knowledge capital and innovation hub. A city of great minds that incubates thinkers, creators, innovators and producers from health and medical; science and engineering; to education, business, culture and technology.

During the 2016/17 financial year Melbourne Convention Bureau (MCB) secured 36 international and national association events, worth \$226 million in economic contribution and expected to attract 38,995 delegates to the state between 2017 - 2025.

MCB utilises Melbourne's global reputation as Australia's knowledge capital and centre of excellence for research and innovation as a drawcard when pitching Melbourne, as well as collaborates with Melbourne Convention and Exhibition Centre (MCEC) on the Club Melbourne Ambassador program to engage influential sector leaders.

Future events won in the 2016/17 financial year:

- **Lions Clubs International Convention 2024 (LCIcon):** featuring a Parade of Nations which will activate the city centre, the LCIcon is expected to attract over 13,000 delegates and deliver over \$84.4 million in economic contribution.
- **Spine Week 2020:** international medical association meeting that is worth over \$14.7 million to the economy and will attract approximately 2,250 delegates.
- **17th World Congress on Menopause 2020:** the largest gathering worldwide for specialists in the field of research and management of menopause is expected to attract over 2,000 delegates and is worth \$11.8 million in economic contribution.

Highlight events held in the 2016/17 financial year:

Twenty-nine international association meetings were held in 2016/17 financial year delivering \$133.8 million in economic contribution and bringing 27,145 delegates to the state.

- **International Congress of Immunology:** the largest global event in the field of immunology attracted 4,000 delegates and delivered \$30.4 million in economic contribution.
- **World Congress on Public Health:** attracted 2,500 delegates from 70 countries, delivering \$11.2 million in economic contribution.
- **International Biotechnology Symposium:** held as part of AusBiotech's International BioFest, Australia's largest ever gathering of life sciences. The Symposium attracted almost 1,400 participants and generated an estimated \$6.8M in economic contribution.

INTERNATIONAL ASSOCIATION EVENTS SECURED IN 2016/17



\$226M

Economic contribution



36

Events



39K

Delegates



CASE STUDY: 23RD INTELLIGENT TRANSPORT SYSTEMS WORLD CONGRESS

Congress details

- Date: 10 - 14 October 2016
- Where: MCEC
- Delegates: 11,500
- 75% over delegate attendance target
- Economic contribution: \$46.6 million
- Attended by 50 international Ministers and Mayors
- 73 countries in attendance
- Attendance of 2,437 members of the public and school students

Legacy outcomes

- Increased visibility to Melbourne's expertise in Intelligent Transport System sector
- Driverless car built in Melbourne was trialed and showcased to global media and industry on the state's roads
- Four MOUs signed during the congress between Australian and international businesses
- Melbourne the platform for the launch of new technologies such as new traffic control, smart mobility software and breakthroughs in connected cars



BUILDING AN EVENTS CALENDAR

MCB successfully pursued its inaugural events strategy to build an events calendar that can be anchored in the state long term by creating new event opportunities, which in 2016/17 financial year contributed \$7.6 million in economic contribution, with three new events established.

C2 coming to Melbourne in November 2017

Event: C2 Melbourne – the world's most innovative business conference, being held for the first time outside of Montreal

Date: 30 November – 1 December 2017

How: MCB steered the proposal to bring C2 Montreal to Melbourne by securing support from the Victorian State Government and City of Melbourne.

Why: Showcase Melbourne's culture of innovation and vibrant start up ecosystem on a global stage

Attendees: 50 countries, 24 industries
Professional Breakdown: C-level and senior executives, CEOs and professional leaders

Outcomes: 25% attendees make a deal at C2

Launch Activity: C2 Montreal Press Conference and C2 Melbourne Media Launch

Media: Generated in excess of 360 media clips and reached 21.5 million people

“ With C2 Montreal named the number one innovative business conference for two consecutive years, we knew this was an event of our city's calibre. C2 Melbourne is well placed to showcase our cities innovation, brightest minds and creativity. ”

Karen Bolinger
MCB Chief Executive Officer

**GREAT
REWARDS
LIVE
HERE**



RESULTS AND ACTIVITIES FOR INCENTIVES AND CORPORATE MEETINGS

Melbourne is a haven for exploration and discovery. With unique activities and attractions, year-round events calendar and sophisticated food and wine scene, our vibrant city offers a multitude of ever-changing and exclusive reward experiences.

During the 2016/17 financial year MCB secured 158 events across incentives and corporate meetings, worth \$95.5 million in economic contribution and expected to attract 27,911 delegates.

MCB leverages city and regional attractions and collaborates with MCB partners to develop a tailored program that meets the business objectives of the client, while delivering a memorable and uniquely Victorian experience for delegates.

Future events won in the 2016/17 financial year:

- **World Taiwanese Chamber of Commerce 2017**, \$4.4 million in economic contribution and 600 delegates from Taiwan.
- **Fubon Life Insurance Taiwan 2016**, \$3.7 million in economic contribution and 1,000 delegates from Taiwan.
- **Dancing in Australia Program 2017**, \$3 million in economic contribution and 800 delegates from China.
- **Great Eastern Premier Tier Incentive Malaysia 2017**, \$1.4 million in economic contribution and 600 delegates from Malaysia.
- **Indonesia Stock Exchange Incentive**, just under \$1 million in economic contribution and 250 delegates from Indonesia.

Highlight event held in the 2016/17 financial year:

- **Perfect China Incentive Trip**, the largest Chinese incentive group into Victoria since 2008.

Dates:	19-24 June, 2017
Delegates:	3,200
Destination:	Melbourne and Regional Victoria
Economic:	\$19.5 Million
Room Nights:	8,000
Travel:	61 flights
Hotels:	12 hotels within Melbourne CBD
Regions:	5 Regions - Dandenong, Ballarat, Mornington Peninsula, Phillip Island, Great Ocean Road

INCENTIVES AND CORPORATE MEETINGS EVENTS SECURED IN 2016/17



\$95.5M

Economic contribution



158

Events



28K

Delegates

A photograph of a lively indoor event space. Large, lush green palm trees are suspended from the ceiling, illuminated with blue and purple lights. The floor is a light-colored, polished surface reflecting the ambient light. A crowd of people, mostly in business casual attire, are gathered and socializing. In the foreground, two women are engaged in conversation; one is wearing a white t-shirt and black pants, and the other is wearing a black dress with a colorful floral pattern. The background shows more people and the continuation of the event space, with a bright blue light source visible on the right side of the frame.

**GREAT
PARTNERSHIPS
LIVE
HERE**

RESULTS FOR PARTNERSHIPS

Our partners are crucial to MCB's ongoing success in securing and delivering business events for Victoria. Our great partnership philosophy supports 'Team Melbourne' which encapsulates a city-wide approach to winning business.

MCB partners are made up of our stakeholders; Victorian State Government, City of Melbourne and Melbourne Convention and Exhibition Centre, and over 250 partner members across professional conference organisers, hotels, airlines, venues, attractions, event providers and caterers.

The Partnership team had a successful year generating an increase from the previous year of 1.3% in new partnership revenue, and 22% in partnership contra.

Offering a tiered structure, the 2016/17 Partner Program provided industry exposure, marketing opportunities, bid and business development activities, direct business leads and access to networking events.

In February 2017 more than 275 Hosted Buyers took part in a pre-touring program as part of AIME, showcasing partner products and services on ten touring experiences throughout Melbourne and regional Victoria.

The Melbourne/Victoria Stand at AIME also provided unique networking opportunities from more than 3,738 visitors from around the world.

MCB partners were included in significant business development and bid activity providing valuable exposure to key decision makers. This included 28 site visits and six international familiarisation groups.

MCB also promoted its partners at 29 international and national trade shows, spanning Europe, Asia and the USA. Furthermore, a new Asian Roadshow marketing brochure was created featuring 17 partners and translated into three languages.

PARTNERING FOR SUCCESS



250

Partners



29

International and national trade shows



28

Site visits



6

International familiarisations



GREAT
IDEAS
LIVE
HERE

COMMUNITY
KNOWLEDGE
VILLAGE
HOSTED

GREAT IDEAS

MCB has a mandate to be cutting edge. In an increasingly competitive environment we need to stay ahead of the competition through innovative and brave ideas.



ASIA-PACIFIC INCENTIVES AND MEETINGS EXPO (AIME)

The 25th Asia-Pacific Incentives and Meetings Expo (AIME) was held on 21 – 22 February 2017 and successfully attracted 3,900 international and local industry professionals to learn, network and conduct business at MCEC.

Over 6,700 appointments took place between buyers and exhibitors, with 416 exhibitors in attendance from 22 countries.

To mark the 25th anniversary, MCB developed a program of business development and networking activity called Uncover Melbourne. Designed to showcase Melbourne's world-class business events capability, Uncover Melbourne offered international and local hosted buyers two days of immersive business development and education experiences.

This included city touring experiences, hosted buyer networking, breakfast function, Melbourne Edge – Event Series, AIME Welcome Event and a dedicated social media competition.



MELBOURNE EDGE EVENT SERIES

As part of the 25th anniversary of AIME, MCB launched its inaugural Melbourne Edge Event Series, an inspiring education forum exploring the future of the business meetings industry through presentations, lively debates, tactile workshops and immersive activities. The first Melbourne Edge was held on 20 February 2017 and was attended by 275 delegates at the MCEC. The new MCB asset will take place numerous times a year in various locations and evolving formats.



FUTURE OF BUSINESS MEETINGS INDUSTRY REPORT

To celebrate the 25-year anniversary of AIME, MCB commissioned McCrindle Research to conduct research into the mega trends affecting the future of business events. The findings provided insight into the changes in the global meetings industry due to the influences of social trends, new technology and changing attendee expectations.

NEW BRAND POSITIONING LAUNCH

MCB successfully launched its new creative positioning: 'Great Minds Live Here'. To support Melbourne's positioning as Australia's knowledge capital, the core message is Melbourne is a city of great minds and a place where the world's brightest thinkers gather to inspire, innovate and deliver real change.

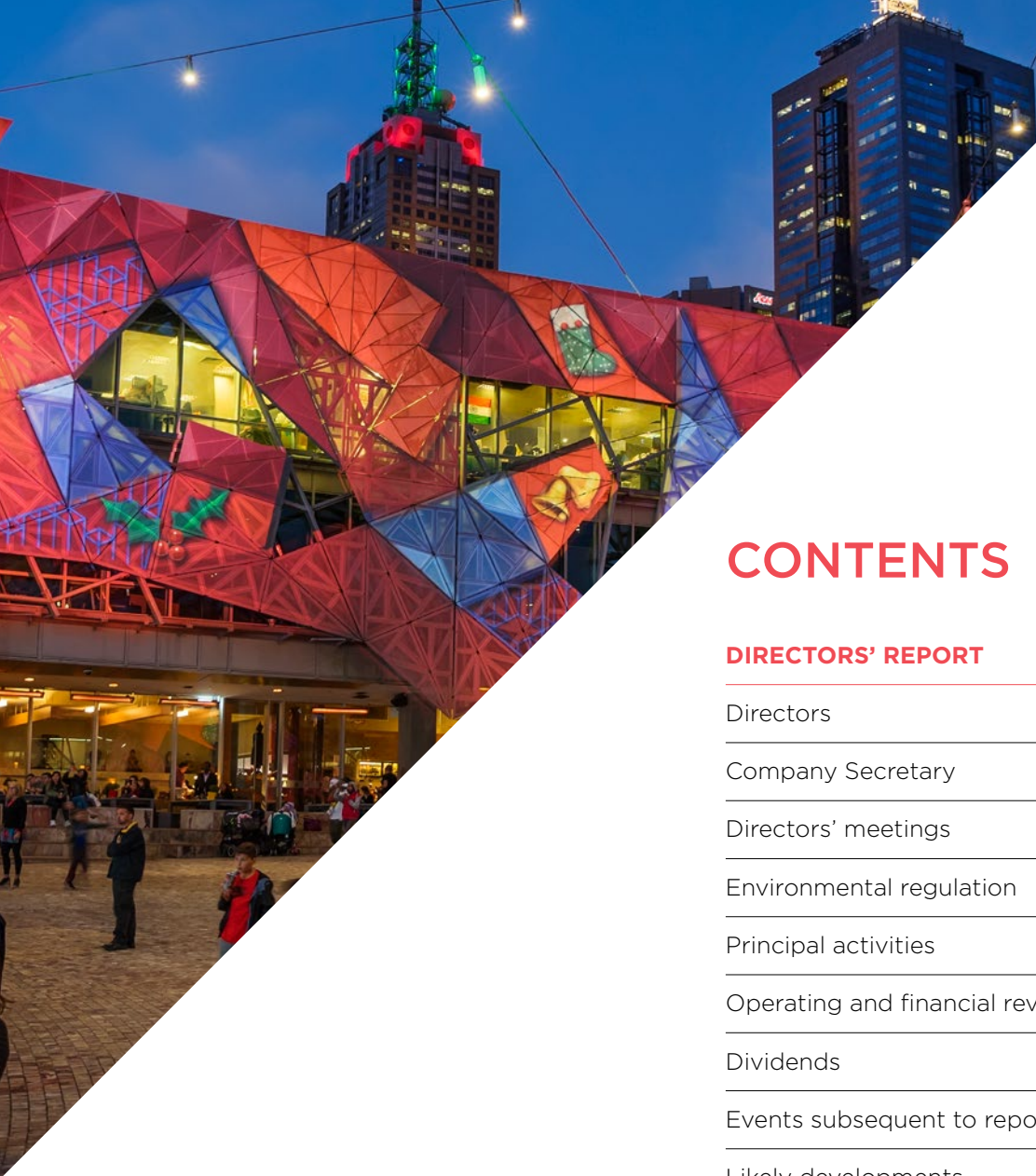
The new positioning specifically targets international associations, with applications to suit other key target markets including 'Great Partnerships Live Here' for MCB partner and stakeholder communications, 'Great Rewards Live Here' for the incentive market and 'Welcome to Melbourne' for delegates.

The new creative has been applied to:

- Bid templates and microsites
- Interactive sales presentations tools, brochures and online resources
- Partner communications including Partner Prospectus, newsletter and videos
- Asian Roadshow collateral translated into three languages
- Print advertising in industry publications
- Delegate boosting flyers, posters, postcards and banners

A photograph of a person fishing from a wooden pier over a body of water. The foreground is filled with large, dark, wet rocks. The water is calm, reflecting the light from the sky. In the distance, a low mountain range is visible on the horizon. The sky is a clear, deep blue, transitioning to a lighter orange near the horizon. A large, bright orange triangle is positioned on the left side of the image, partially overlapping the text.

DIRECTORS' REPORT



CONTENTS

DIRECTORS' REPORT

Directors	23
Company Secretary	24
Directors' meetings	25
Environmental regulation	25
Principal activities	25
Operating and financial review	26
Dividends	26
Events subsequent to reporting date	26
Likely developments	26
Indemnification and insurance of Officers and Auditors	26
Member's guarantee	27
Lead auditor's independence declaration	27
Statement of profit or loss and other comprehensive income	28
Statement of financial position	29
Statement of changes in equity	30
Statement of cash flows	30
Notes to the financial statements	31
Directors' declaration	47
Lead auditor's independence declaration	48
Independent audit report	49

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2017

1. DIRECTORS

The Directors present their report together with the financial report of Melbourne Convention Bureau Ltd (the "Company"), for the financial year ended 30 June 2017 and the auditor's report thereon.

The Directors of the Company at any time during or since the end of the financial year are:

Name, Qualifications and Independence Status	Experience, special responsibilities and other directorships
Christopher Barlow B.Sc. (Honours) Civil Engineering Independent Non-Executive Director	Appointed 27 November 2001 Appointed Chairman 28 November 2007 Chairman Remuneration Committee Board member of Visit Victoria. Chairman Northern Territory Airports (Darwin and Alice Springs). Board member Australian Rail Track Corporation. Non Executive Director and Chair of Airport Development Group (operators of Darwin, Alice Springs and Tennant Creek airports). Previously Chief Executive Officer & Managing Director - Australian Pacific Airports Corporation (operators of Melbourne & Launceston Airports); formerly Developmental Director of BAA plc. Chartered Civil Engineer.
Julian Clark Independent Non- Executive Director	Appointed 24 November 2009 Audit, Finance & Risk Committee Member from February 2012 CEO - The Lancemore Group (Victorian Hotels - Mansion Hotel & Spa at Werribee Park, Lindenderry at Red Hill, Lindenwarrah at Milawa, Lancemore Hill at Macedon Ranges and Yarra Valley Lodge). President of the National Board of the Accommodation Association of Australia (AAoA). Previously board member of the Victorian Tourism Industry Council (VTIC).
Peter King Independent Non-Executive Director	Appointed 31 January 2012 Deputy Chairman Audit, Finance & Risk Committee Member from February 2012 Chief Executive - Melbourne Convention and Exhibition Centre. Deputy Chairman, BECA (Business Events Council of Australia), Board member of EEAA (Events and Exhibition Association of Australasia) and Board member of AIPC, (International Association of Conference Centres). MCC Committee (Melbourne Cricket Club) and Chair of Cricket at the MCC.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2017 (CONTINUED)

1. DIRECTORS (CONTINUED)

Name, Qualifications and Independence Status	Experience, special responsibilities and other directorships
Julia Langdon B. Com, B. Sc, FCA ANZ. Independent Non-Executive Director	Appointed 9 May 2013 Audit, Finance & Risk Committee Chair from May 2013 Remuneration Committee Member from May 2013 until 18 August 2016 Partner, Advisory – Ernst & Young. Specific experience in risk management.
Darryl Washington B.Com (Melb), ASA Independent Non-Executive Director	Appointed 15 January 1996 Audit, Finance & Risk Committee Member from December 2011 Director United Inn-Keeper Association Ltd and Central City Consultants. Former AHA National and Victorian President/Managing Director, United Innkeeper Hotels and Chair City of Melbourne Hospitality Advisory and Retail Board.
Peter Bingeman B.Com (Economics) & B.Arts (Philosophy) (University of Melbourne) Independent Non-Executive Director	Appointed 18 August 2016 Chief Executive Officer - Visit Victoria Remuneration Committee Member from 18 August 2016 Previously Managing Director, Malaysia, Thailand, Singapore, Vietnam and Indochina with Mondelez International. Senior Leadership positions across sales and marketing with Procter and Gamble, Cadbury/Schweppes, Kraft and Mondelez.

2. COMPANY SECRETARY

Keith Herdman, B. Bus (RMIT) CPA, who has held various senior management roles in the private sector over the last thirty-six years, was appointed to the position of Company Secretary on 18 October 2006.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2017 (CONTINUED)

3. DIRECTORS' MEETINGS

The number of Directors' meetings (including meetings of Committees of Directors) and number of meetings attended by each of the Directors of the Company during the financial year are:

Director	Board of Directors Meetings		Audit, Finance and Risk Committee Meetings		Remuneration Committee Meetings	
	A	B	A	B	A	B
Christopher Barlow	6	6	1*	1*	1	1
Julian Clark	6	5	5	4	-	-
Peter King	6	5	5	5	-	-
Julia Langdon	6	5	5	5	-	-
Darryl L Washington	6	5	5	2	-	-
Peter Bingeman	6	6	1*	1*	1	1

A Number of meetings held during the time the Director held office during the year
 B Number of meetings attended
 * By invitation only

4. ENVIRONMENTAL REGULATION

The Company's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation. However, the Board believes that the Company has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the Company.

5. PRINCIPAL ACTIVITIES

The principal activities of the Company during the year ended 30 June 2017 comprised of business development activities promoting Melbourne as Australia's premier business events destination and the securing of business events for Victoria. These assist in achieving the Company's short term and long term objectives of generating economic wealth for Melbourne and regional Victoria by securing national and international conventions, corporate meetings, exhibitions and incentive travel reward programs. The Company measures its performance by assessing the economic contribution delivered as a direct result of the business secured.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2017 (CONTINUED)

6. OPERATING AND FINANCIAL REVIEW

Revenue from operations for the year ended 30 June 2017 was \$9,161,379 (2016: \$9,109,537). The result for the year ended 30 June 2017 is a surplus of \$146,730 (2016: \$134,598 deficit). A detailed review of Company operations for the year is included in the CEO's report.

Significant changes in the state of affairs

Following changes to the constitution of the Company approved by members at the Extraordinary General Meeting held on 23 May 2016, with effect from 1 July 2016 the Company now operates as a subsidiary of Visit Victoria.

7. DIVIDENDS

Under the constitution, no dividends are allowed to members of the Company.

8. EVENTS SUBSEQUENT TO REPORTING DATE

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years.

9. LIKELY DEVELOPMENTS

There are no likely developments that will have an effect on the Company's operations or the expected results of its operations.

10. INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

(a) Indemnification

Since the end of the previous financial year, the Company has not indemnified or made a relevant agreement for indemnifying against a liability any person who is or has been an Officer or Auditor of the Company.

(b) Insurance premiums

During the financial year the Company has paid insurance premiums totalling \$2,391 (2016: \$2,269) in respect of Directors' and Officers' liability insurance. These insurance premiums related to insurance of Directors and Officers of the Company named in this report, and to former Directors and Officers of the predecessor companies, Melbourne City Marketing Limited and The Melbourne Convention & Tourism Authority. The policies do not specify the premium for individual Directors and Officers.

The Directors' and Officers' liability insurance provides cover against all costs and expenses involved in defending legal actions and resulting payments arising from a liability to persons (other than the Company or a related body corporate) incurred in their position as Director or Executive Officer unless the conduct involves a wilful breach of duty or an improper use of inside information or position to gain advantage.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2017 (CONTINUED)

11. MEMBER'S GUARANTEE

The Company is limited by guarantee. If the Company is wound up the constitution states that each member is required to contribute a maximum of \$1 towards meeting any outstanding obligations of the Company.

At 30 June 2017 the number of members was 207 (2016: 218).

12. LEAD AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration is set out on page 26 and forms part of the Directors' Report for the year ended 30 June 2017.

This report is made with a resolution of the Directors:



Christopher Barlow
Director



Peter King
Director

Dated at Melbourne this 16th day of August 2017.

STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
Revenue	4	9,161,379	9,109,537
Other income		207,366	422,875
Sales and marketing expenses		(7,694,089)	(8,024,760)
Administrative expenses		(1,563,181)	(1,685,780)
Result from operating activities		111,475	(178,128)
Finance income		35,832	46,413
Finance costs		(577)	(2,883)
Net finance income	5	35,255	43,530
Profit/(loss) for the year		146,730	(134,598)
Other comprehensive income			
Items that will never be reclassified to profit or loss		-	-
Items that are or may be reclassified to profit or loss		-	-
		-	-
Total comprehensive income/(loss) for the year		146,730	(134,598)

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2017

	Note	2017 \$	2016 \$
Assets			
Cash and cash equivalents	6	3,139,763	2,610,093
Trade and other receivables	7	283,892	1,059,922
Total current assets		3,423,655	3,670,015
Plant and equipment	8	29,985	50,827
Intangible assets	9	11,419	130,227
Total non- current assets		41,404	181,054
Total assets		3,465,059	3,851,069
Liabilities			
Trade and other payables	10	1,140,355	1,567,622
Borrowings	11	14,258	16,727
Employee benefits	12	620,636	599,423
Provisions	13	-	128,500
Total current liabilities		1,775,249	2,312,272
Borrowings	11	-	14,258
Employee benefits	12	50,234	31,693
Total non- current liabilities		50,234	45,951
Total liabilities		1,825,483	2,358,223
Net assets		1,639,576	1,492,846
Equity			
Retained earnings		1,639,576	1,492,846
Total equity		1,639,576	1,492,846

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2017

	2017 \$	2016 \$
Retained earnings		
Opening balance at 1 July	1,492,846	1,627,444
Total comprehensive income for the year		
Profit/(loss) for the year	146,730	(134,598)
Other comprehensive income	-	-
Total comprehensive income/(loss) for the year	146,730	(134,598)
Closing balance at 30 June	1,639,576	1,492,846

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
Cash flows from operating activities			
Cash received from customers and funding bodies		10,801,746	9,228,735
Cash paid to suppliers and employees		(10,268,120)	(10,041,533)
Cash generated from operations		533,626	(812,798)
Interest received		35,832	46,413
Interest paid		(577)	(2,883)
Net cash (used in) operating activities		568,881	(769,268)
Cash flows from investing activities			
Proceeds from sale of plant and equipment		-	-
Acquisitions of plant and equipment		(12,722)	(17,218)
Acquisitions of intangibles		(9,762)	(36,843)
Net cash (used in) investing activities		(22,484)	(54,061)
Cash flows from financing activities			
Finance lease payments		(16,727)	(16,320)
Net cash (used in) financing activities		(16,727)	(16,320)
Net increase in cash and cash equivalents		529,670	(839,649)
Cash and cash equivalents at 1 July		2,610,093	3,449,742
Cash and cash equivalents at 30 June	6	3,139,763	2,610,093

NOTES TO THE FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2017

1. REPORTING ENTITY

Melbourne Convention Bureau Ltd (the 'Company') is a not-for-profit company limited by guarantee, incorporated and domiciled in Australia and is at and for the year ended 30 June 2017. The address of the Company's registered office is Collins Square, Tower Two, Level 28, 727 Collins Street, Melbourne, Victoria, Australia. The Company operates in one industry and geographic segment, being the provision of convention and destination marketing for Victoria, Australia.

2. BASIS OF PREPARATION

(a) STATEMENT OF COMPLIANCE

In the opinion of the directors, the Company is not publicly accountable. The financial statements are Tier 2 general purpose financial statements which have been prepared in accordance with Australian Accounting standards – Reduced Disclosure Requirements (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

The financial statements were authorised for issue by the Board of Directors on 16th August 2017. Details of the Company's accounting policies, including changes during the year, are included in note 3.

(b) BASIS OF MEASUREMENT

These financial statements have been prepared on the historical cost basis unless otherwise stated.

(c) FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements are presented in Australian dollars, which is the Company's functional currency.

(d) USE OF ESTIMATES AND JUDGEMENT

The preparation of financial statements in conformity with Australian Accounting Standards – Reduced Disclosure Requirements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Included in city wide support package expenditure commitment (note 10) is an accrual for the incurred amount of collateral and service delivery obligations in respect of secured events i.e. cash incurred in respect of city wide support package (CWSP) expenditure commitments. The determination of the accrual is based on an estimate using a data pattern of historical reimbursements relating to secured events recorded using a straight line method, which brings the obligation cost for events to account over the period from the date the event is won until the date the event is held.

(e) GOING CONCERN

The financial report has been prepared on the going concern basis which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

NOTES TO THE FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2017

3. SIGNIFICANT ACCOUNTING POLICIES

Except for any changes noted in 3(n), the accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by the Company.

a) FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss.

(b) FINANCIAL INSTRUMENTS

(i) Non-derivative financial assets - recognition and derecognition

The Company initially recognises receivables and deposits on the date that they are originated.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

(ii) Non-derivative financial assets - measurement

The Company has the following non-derivative financial assets:

Receivables

Receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Receivables comprise cash and cash equivalents and trade and other receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less.

NOTES TO THE FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2017

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(iii) Non-derivative financial liabilities – recognition and derecognition

The Company initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognised initially on the trade date which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest rate method.

(iv) Non-derivative financial liabilities – measurement

Other financial liabilities comprise borrowings, bank overdrafts and trade and other payables.

Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(c) PLANT AND EQUIPMENT

(i) Recognition and measurement

Items of plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items of plant and equipment.

Any gain and loss on disposal of an item of plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of plant and equipment and are recognised net within other income/ other expenses in profit or loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Company.

(iii) Depreciation

Depreciation is calculated to write off the cost of property, plant and equipment less their estimated residual values using the straight-line basis over their estimated useful lives, and is generally recognised in profit or loss. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

NOTES TO THE FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2017

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The estimated useful lives in the current and comparative periods are as follows:

	2017	2016
Plant and equipment	3 – 5 years	3 – 5 years
Leasehold improvements	3 – 7 years	3 – 7 years
Leased plant	5 years	5 years

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(iv) Leasehold improvements

The cost of improvements to or on leasehold properties is amortised over the unexpired period of the lease, or the estimated useful life of the improvement to the Company, whichever is shorter.

(d) INTANGIBLES

(i) Intangible assets

Intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

(iii) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. Goodwill is not amortised.

The estimated useful lives for the current and comparative periods are as follows:

	2017	2016
Computer software	2 – 3 years	2 – 3 years

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

NOTES TO THE FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2017

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) LEASED ASSETS

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and are not recognised on the Company's statement of financial position.

(f) IMPAIRMENT

(i) Non-derivative financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor will enter bankruptcy.

Financial assets measured at amortised cost

Loans and receivables

The Company considers evidence of impairment for receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.

In assessing collective impairment, the Company uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

(ii) Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

An impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

NOTES TO THE FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2017

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) EMPLOYEE BENEFITS

(i) Defined contribution superannuation funds

Obligations for contributions to defined contribution superannuation funds are recognised as an expense in profit or loss in the periods during which services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or reduction in future payment is available.

(ii) Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on-costs. That benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on corporate bonds that have maturity dates approximating the terms of the Company's obligations. Remeasurements are recognised in profit or loss in the period in which they arise.

(iii) Short term benefits

Short-term employee benefit obligations are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(h) PROVISIONS

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

(i) REVENUE

(i) Government grants

Grants made by the State Government are recognised as revenue when the Company gains control of the contribution, or where conditions are attached to the grants, when the conditions are satisfied.

(ii) Membership contributions and industry co-operative revenue

Membership contributions and income from co-operative projects are recognised when received or due and receivable, except where received in respect of the following financial year.

(iii) Advertising sales revenue

Advertising revenue is recognised when received or receivable.

(iv) In-kind contributions

In-kind contributions that are non-reciprocal transfers to the Company are recognised at their fair value as income and expenditure when received, where fair value is determined with reference to similar goods and services.

NOTES TO THE FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2017

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) LEASE PAYMENTS

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Determining whether an arrangement contains a lease

At inception of an arrangement, the Company determines whether such an arrangement is or contains a lease.

At inception or upon reassessment of the arrangement, the Company separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Company concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Company's incremental borrowing rate.

(k) FINANCE INCOME AND FINANCE COSTS

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues, using the effective interest method.

Finance costs comprise interest expense on finance leases and the financial effect of unwinding of the make good provision. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

(l) INCOME TAX

No income tax expense is charged and no income tax is payable by the Company as the Australian Taxation Office has granted the Company an exemption from income tax.

(m) GOODS AND SERVICES TAX

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position. Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(n) NEW STANDARDS AND INTERPRETATIONS

(i) Change in accounting policies

The Company has consistently applied the accounting policies set out in note 3 to all periods presented in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2017

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) NEW STANDARDS AND INTERPRETATIONS CONTINUED

(ii) New standards and interpretations not yet adopted

In the current year, the entity has adopted all of the new and revised Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2016. The adoption of these new and revised Standards and Interpretations has resulted in no changes to the Company's accounting policies.

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were on issue but not yet effective.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 'Financial Instruments', and the relevant amending standards	1 January 2018	30 June 2019
AASB 15 'Revenue from Contracts with Customers' and AASB 1058 Income of Not-For-Profit Entities	1 January 2019	30 June 2020
AASB 16 'Leases'	1 January 2019	30 June 2020

The Directors anticipate that the above amendments and interpretations will not have a material impact on the financial report of the Company in the year of initial application. In addition to the standards issued above, other standards have been issued by the AASB, these standards are not relevant to the operations of the Company.

4. REVENUE

	2017 \$	2016 \$
State Government funding – MCET ¹	1,694,123	1,700,000
State Government funding – DEDJTR ²	4,200,000	4,000,000
City of Melbourne funding	500,000	500,000
Industry co-operative revenue	1,289,880	1,367,057
Member revenue	1,002,319	941,515
Advertising sales revenue	220,600	197,043
In-kind co-operative revenue	254,457	403,922
	9,161,379	9,109,537

¹ MCET – Melbourne Convention and Exhibition Trust

² DEDJTR – Department of Economic Development, Jobs, Transport & Resources

NOTES TO THE FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2017

5. FINANCIAL INCOME AND FINANCE COSTS

	2017 \$	2016 \$
Interest income on bank deposits	35,832	46,413
Finance income	35,832	46,413
Interest expense on financial liabilities	(577)	(2,883)
Finance costs	(577)	(2,883)
Net finance income	35,255	43,530

6. CASH AND CASH EQUIVALENTS

	2017 \$	2016 \$
Bank balances	3,138,139	2,606,619
Cash on hand	1,624	3,474
Cash and cash equivalents in the statement of cash flows	3,139,763	2,610,093

7. TRADE AND OTHER RECEIVABLES

	2017 \$	2016 \$
Trade receivables	271,000	1,016,071
Provision for impairment	(82,805)	(53,264)
Other receivables and prepayments	95,697	97,115
	283,892	1,059,922

Impairment losses

The movement in the allowance for impairment in respect of receivables during the year was as follows:

	2017 \$	2016 \$
Balance at 1 July	53,264	23,147
Impairment loss (derecognised)/recognised	29,541	30,117
Balance at 30 June	82,805	53,264

The allowance accounts in respect of receivables are used to record impairment losses unless the Company is satisfied that no recovery of the amount owing is possible; at that point the amount is considered irrecoverable and is written off against the financial asset directly.

NOTES TO THE FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2017

8. PLANT AND EQUIPMENT

	Leasehold Improvements \$	Plant and Equipment \$	Leased Plant \$	Total \$
Cost				
Balance at 1 July 2015	432,712	596,078	81,312	1,110,102
Acquisitions	-	17,218	-	17,218
Disposals	-	(133,834)	-	(133,834)
Balance at 30 June 2016	432,712	479,462	81,312	993,486
Balance at 1 July 2016	432,712	479,462	81,312	993,486
Acquisitions	-	12,722	-	12,722
Disposals	(432,712)	(432,093)	-	(864,805)
Balance at 30 June 2017	-	60,091	81,312	141,403
Depreciation and amortisation				
Balance at 1 July 2015	396,725	567,456	32,570	996,751
Depreciation	35,987	27,493	16,262	79,742
Disposals	-	(133,834)	-	(133,834)
Balance at 30 June 2016	432,712	461,115	48,832	942,659
Balance at 1 July 2016	432,712	461,115	48,832	942,659
Depreciation	-	17,301	16,263	33,564
Disposals	(432,712)	(432,093)	-	(864,805)
Balance at 30 June 2017	-	46,323	65,095	111,418
Carrying amounts				
At 1 July 2015	35,987	28,622	48,742	113,351
At 30 June 2016	-	18,347	32,480	50,827
At 1 July 2016	-	18,347	32,480	50,827
At 30 June 2017	-	13,768	16,217	29,985

NOTES TO THE FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2017

9. INTANGIBLE ASSETS

	Computer Software \$	Under Construction \$	Total \$
Cost			
Balance at 1 July 2015	543,810	6,300	550,110
Acquisitions	36,843	-	36,843
Disposals/transfers	6,300	(6,300)	-
Balance at 30 June 2016	586,953	-	586,953
Balance at 1 July 2016	586,953	-	586,953
Acquisitions	9,762	-	9,762
Disposals/transfers	(223,757)	-	(223,757)
Balance at 30 June 2017	372,958	-	372,958
Depreciation and amortisation			
Balance at 1 July 2015	293,688	-	293,688
Amortisation	163,038	-	163,038
Disposals	-	-	-
Balance at 30 June 2016	456,726	-	456,726
Balance at 1 July 2016	456,726	-	456,726
Amortisation	128,569	-	128,569
Disposals	(223,756)	-	(223,756)
Balance at 30 June 2017	361,539	-	361,539
Carrying amounts			
At 1 July 2015	250,122	6,300	256,422
At 30 June 2016	130,227	-	130,227
At 1 July 2016	130,227	-	130,227
At 30 June 2017	11,419	-	11,419

NOTES TO THE FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2017

10. TRADE AND OTHER PAYABLES

	2017 \$	2016 \$
Trade payables		
Trade payables	131,935	209,031
Income in advance	166,933	151,418
Other payables and accrued expenses	553,240	544,320
City Wide Support Package expenditure commitment	288,247	662,853
	1,140,355	1,567,622

11. BORROWINGS

	2017 \$	2016 \$
Current liabilities	14,258	16,727
Current portion of finance lease liabilities	14,258	16,727
Non-current liabilities	-	14,258
Finance lease liabilities	-	14,258
	14,258	30,985

Finance lease liabilities

Finance lease liabilities of the Company are payable as follows:

	Future minimum lease payments 2017 \$	Future minimum lease payments 2016 \$
Less than one year	14,420	17,304
Between one and five years	-	14,420
More than five years	-	-
	14,420	31,724
Future finance charges	(162)	(739)
Total lease liabilities	14,258	30,985

NOTES TO THE FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2017

12. EMPLOYER BENEFITS

	2017 \$	2016 \$
Current		
Liability for annual leave	244,039	213,100
Liability for long service leave	178,199	167,321
Accrued superannuation	3,699	4,695
Employee bonus liability	194,699	214,307
	620,636	599,423
Non-current		
Liability for long service leave	50,234	31,693
	50,234	31,693
	670,870	631,116

The Company does not make any contributions to defined benefits plans.

Defined contribution superannuation plans

The Company has paid contributions of \$312,323 to defined contribution superannuation plans on behalf of employees for the year ended 30 June 2017 (2016: \$276,055).

13. PROVISIONS

	Leasehold Make Good \$	Total \$
Balance at 1 July 2016	128,500	128,500
Provisions made during the period	-	-
Provisions used during the period	(128,500)	(128,500)
Provisions reversed during the period	-	-
Unwind of discount	-	-
Balance at 30 June 2017	-	-
Current	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2017

13. PROVISIONS (CONTINUED)

Leasehold Make Good

A provision of \$128,500 was recorded at 30 June 2016 in respect of the Company's obligation to make good its IBM Centre leasehold premises upon completion of the existing lease, including short term lease extensions, on 28 February 2017. In accordance with note 3(c) (i), leasehold make good costs relating to the restoration of leased premises incurred upon installation of leasehold assets are recognised as part of the cost of leasehold assets. Upon conclusion of the lease on 28 February 2017, the Company satisfied its make good obligations.

14. OPERATING LEASES

Leases as lessee

Non-cancellable operating lease rentals are payable as follows:

	2017 \$	2016 \$
Less than one year	-	305,493
Between one and five years	-	-
More than five years	-	-
	-	305,493

The Company has relocated its operations to the premise in Docklands leased by Visit Victoria. The Company is not liable for any lease payment with the current arrangement.

During the year \$228,707 was recognised as an expense in profit or loss in respect of operating leases (2016: \$274,073).

15. CONTINGENT LIABILITIES

Expenditure commitments

The Company has commitments of \$1,304,519 (2016: \$1,059,734) for collateral and services delivery for one-hundred-one (2016 fifty-one) events taking place in the next eight (2016: nine) years. These commitments for support of events have been made by the Company as part of proposals to secure the events and are contingent on the bid for the event being won. These do not include any funding commitments made directly by the State Government to support major business events.

16. RELATED PARTIES

(a) Key management personnel compensation

The key management personnel compensation was \$1,216,081 for the year ended 30 June 2017 (2016: \$1,151,121). Key management personnel compensation includes the payment of Director's Fees to Christopher Barlow of \$40,075 (2016: \$40,075).

NOTES TO THE FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2017

16. RELATED PARTIES (CONTINUED)

(b) Key management personnel transactions

A number of key management personnel held positions in other entities that result in them having control or significant influence over the financial or operating policies of these entities.

A number of these entities transacted with the Company in the reporting period. The terms and conditions of these transactions with the other related parties were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-key management personnel related entities on an arm's length basis.

The aggregate value of transaction and outstanding balances relating to key management personnel and entities over which they have control or significant influence were as follows:

Key Management person related parties	Transaction	Note	Transaction value year ended 30 June		Balance outstanding as at 30 June	
			2017 \$	2016 \$	2017 \$	2016 \$
Mr. J. Clark - The Lancemore Group	Revenue - member and advertising sales	(i)	2,000	2,000	-	-
	Expenditure - sales and marketing		-	-	-	-
Mr. P. King - Melbourne Convention and Exhibition Trust	Revenue - MCET funding	(ii)	1,694,123	1,700,000	-	-
	Revenue -sales and marketing		75,056	38,817	6,824	-
	Expenditure - sales and marketing		29,363	41,405	-	-
Mr. D. Washington - Australian Hotels Association	Revenue - member sales	(iii)	2,000	2,000	-	-
	Expenditure - sales and marketing		-	-	-	-
Mr. Peter Bingeman - Visit Victoria	Revenue - VV funding	(iv)	4,200,000	-	-	-
	Expenditure - sales and marketing		-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2017

16. RELATED PARTIES (CONTINUED)

(b) Key management personnel transactions (continued)

- (i) The Lancemore Group pays the standard membership fee. Mr. J Clark is CEO of The Lancemore Group.
- (ii) The Company established a three-year contract commencing 1 July 2016 with Melbourne Convention and Exhibition Trust (MCET) for the provision of funding to the Company to conduct international sales and marketing activities on behalf of MCET. Mr P King is the Chief Executive of MCET. The total annual contract value is \$1,694,123. In addition, the Company has paid MCET for sales and marketing activities.
- (iii) Australian Hotels Association pays the standard membership fee. Mr D Washington is General Manager - Tourism Accommodation Australia (Vic) and AHA (VIC) Accommodation Division.
- (iv) The Company established a four-year contract commencing 31 October 2014 with Visit Victoria(VV) (formally known as Tourism Victoria) for the provision of funding to the Company for the purpose of the economic development of Victoria on behalf of VV. Mr P Bingeman is the Chief Executive Officer of VV. The total annual contract value is \$4,200,000.

Amounts receivable from and payable to other related parties at reporting date arising from these transactions were as follows:

	2017 \$	2016 \$
Current receivables		
Trade debtors	6,824	-
Less: Impairment loss	-	-
	6,824	
Current Payables		
Trade creditors	-	-
Less: Impairment loss	-	-
	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2017

17. DIRECTORS' DECLARATION

In the opinion of the Directors of Melbourne Convention Bureau Ltd ("the Company"):

(a) the Company is not publicly accountable:

(b) the financial statements and notes, set out on pages 5 to 24, are in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2017 and of its performance for the financial year ended on that date; and
- (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Regulations 2001; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:

Dated at Melbourne this 16th day of August 2017.



Christopher Barlow
Director



Peter King
Director



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Melbourne Convention Bureau Ltd

I declare that, to the best of my knowledge and belief, in relation to the audit of Melbourne Convention Bureau Ltd for the financial year ended 30 June 2017 there have been:

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

KPMG

KPMG

Dana Bentley
Partner

Melbourne
16th August 2017

Independent Auditor's Report

To the members of Melbourne Convention Bureau Ltd

Opinion

We have audited the **Financial Report** of Melbourne Convention Bureau Ltd (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Company's financial position as at 30 June 2017 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards - Reduced Disclosure Requirements* and the *Corporations Regulations 2001*.

The **Financial Report** comprises:

- Statement of financial position as at 30 June 2017
- Statement of profit or loss and other comprehensive income, Statement of changes in equity, and Statement of cash flows for the year then ended
- Notes including a summary of significant accounting policies
- Directors' Declaration.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Company in accordance with the *Corporations Act 2001* and 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 our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the Directors of Melbourne Convention Bureau Ltd, would be in the same terms if given to the Directors as at the time of this Auditor's Report.

Other Information

Other Information is financial and non-financial information in Melbourne Convention Bureau Ltd's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

The Other Information we obtained prior to the date of this Auditor's Report was the Directors' Report.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.



We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards - Reduced Disclosure Requirements* and the *Corporations Act 2001*
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error
- assessing the Company's ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- 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 our 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. They 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 this Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_files/ar3.pdf. This description forms part of our Auditor's Report.

KPMG

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Dana Bentley
Partner

Melbourne

22 August 2017

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