

ANNUAL REPORT 2017/18

MELBOURNE
CONVENTION
BUREAU







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FOREWORD

MINISTER'S FOREWORD



Victoria's visitor economy has been boosted by the \$11.2 billion business events industry in the past 12 months, with Melbourne Convention Bureau (MCB) leading the push to secure lucrative business events for the state.

MCB is a key partner in implementing actions within the Victorian Visitor Economy Strategy which aims to increase visitor spending to \$36.5 billion and generate 320,700 jobs by 2025.

With business events the highest yielding sector of the visitor economy, and creating over 4,700 jobs per annum, MCB has a vital role to play in achieving these targets.

MCB is critical to developing equity in Victoria's business events brand and driving the promotion of the state as a leading business events destination

The Victorian Government recognises that putting Melbourne forward to host conference and incentive events is more than an investment in the tourism industry and the returns that fully occupied hotel rooms bring to an economy. Importantly, it also provides an international forum for people to connect, and is a commitment to ensuring that collaboration, innovation and research will continue in Melbourne.

I applaud the achievements of the team at MCB in 2017/18 FY for their contribution to the Victorian community and will continue to support their efforts to secure impactful business events for Victoria.

We look forward to working with and supporting MCB in its promotion of Melbourne as a world-leading conference destination and strengthening the state's global reputation for knowledge, research and innovation.

A handwritten signature in black ink that reads "John Eren".

The Hon. John Eren
Minister for Tourism
and Major Events

CHAIRMAN'S FOREWORD



I'm pleased to report that the 2017/18 financial year saw Melbourne Convention Bureau (MCB) deliver its best results in seven years in terms of economic impact for Victoria.

MCB delivered \$396 million in economic contribution, an increase of 25 per cent on the 2016/17 financial year, from 176 events secured. These events are expected to deliver over 79,000 delegates to Melbourne in the coming years.

A series of significant international association conferences confirmed have ensured a strong pipeline of business and continued significant economic contribution to Victoria up to 2024, providing long term certainty for Victoria's visitor economy.

This success was helped by strong support from the Victorian Government and an additional \$2 million from Visit Victoria to our Business Events Fund.

Victoria's corporate meetings and incentive business was significantly bolstered with MCB securing 134 events which will deliver over \$82 million and over 25,500 delegates to the city and regional Victoria.

I am proud to be the Chairman of MCB and on behalf of your Board of Directors I would like to thank Karen Bolinger and her passionate and committed team for delivering excellent results in 2017/18.

I would also like to acknowledge the broader industry and government partnerships for their ongoing support provided to MCB. I look forward to our success continuing over the next financial year.

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

Chris Barlow
Chairman
Melbourne Convention Bureau

CEO'S FOREWORD



The 2017/18 financial year has seen Melbourne Convention Bureau (MCB) drive significant impact to Victoria and the business events sector.

MCB delivered its strongest ever economic impact on record. This is a momentous achievement and demonstrates the ongoing commitment and passion of the MCB team to deliver impactful outcomes that drive the visitor economy.

In addition, MCB exceeded all its targets, as well as secured some of the largest and most prestigious global meetings, increased sales leads and business opportunities for our partners and executed a bold and innovative strategy to propel the sector forward.

Important wins across various sectors helped achieve these results including the Global Public Transport Summit 2021, which is the world's largest public transport event; the World Ophthalmology Congress 2022; VidCon Australia 2018 and 2019; and General Assembly and Congress of the International Union of Crystallography 2023 – which will collectively contribute over \$155 million to the Victorian economy.

The corporate meetings and incentives sector contributed significantly to the overall success of the financial year. Over 80 incentive reward programs were secured with 100 per cent including regional Victoria, driving 10,300 new international visitors to the regions.

A highlight was the Cathay Life Insurance Tour which delivered over 2,300 visitors to Victoria and injected \$10 million into the economy.

Melbourne's global reputation as a centre for knowledge and innovation saw 181 events held across the state, attracting 60,421 delegates. Thirty-five international association events were held valued at \$157 million. Corporate meetings and incentives accounted for 146 events contributing \$97 million.

MCB was recognised for its contribution to the community, securing the prestigious Australian Business Award for Community Contribution in the 2018 Australian Business Awards. MCB was acknowledged as an organisation that implements initiatives that have a positive impact on the community and that generates outcomes with long term benefit.

As part of the 26th Asia-Pacific Incentives & Meetings Expo (AIME) MCB delivered its Melbourne Edge Event Series, an inspiring education forum for 330 delegates across industry to participate in knowledge exchange and networking.

I would like to acknowledge the support we have received throughout the year from the Victorian 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', with a long, sweeping horizontal line extending to the right.

Karen Bolinger
Chief Executive Officer
Melbourne Convention Bureau

A group of approximately 12 people, mostly of Asian descent, are posing for a group photo on a wooden platform or set of stairs. They are dressed in casual to semi-formal attire, including jackets, jeans, and dresses. Many of the individuals are smiling and have their arms raised in a celebratory gesture. The background features a building with a prominent blue roof and yellow accents, set against a bright blue sky with scattered white clouds. A large, solid orange triangle is positioned on the left side of the image, partially overlapping the group and the building.

**GREAT
RESULTS
LIVE
HERE**



OVERALL RESULTS SNAPSHOT 2017/18

MCB is pleased to present its overall results for 2017/18 financial year exceeding targets for economic contribution, delegates and events secured.

MCB has achieved a 25 per cent increase in economic contribution from secured business events in 2017/18 financial year from the previous year, and achieved its strongest economic impact ever delivered.



176

EVENTS WON



79K

DELEGATES



\$396M

ECONOMIC CONTRIBUTION

A photograph of a woman with long dark hair, wearing a black blazer over a striped shirt, smiling and looking towards the left. She is seated at a dark blue cafe counter. On the counter, there is a wooden board with a sandwich, a glass coffee pot on a stand, and other coffee-making equipment. In the background, a man is sitting and another person is walking past a brick wall. A purple diagonal overlay covers the left side of the image, containing the text 'DIRECTORS' REPORT'.

DIRECTORS' REPORT



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Melbourne Convention Bureau Ltd

A.B.N. 62 072 324 933

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2018

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 2018 and the auditor's report thereon.

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. 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 and 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, Business Events Council of Australia (BECA), Board member of Events and Exhibition Association of Australasia (EEAA) and Board member of International Association of Conference Centres, (AIPC). Melbourne Cricket Club Committee (MCC) and Chair of Cricket at the MCC.
Julia Langdon B. Com, B. Sc, FCA ANZ. Independent Non-Executive Director	Appointed 9 May 2013 Audit, Finance and Risk Committee Chair from May 2013 Partner, Advisory - Ernst & Young. Specific experience in risk management.
Darryl Washington B.Com (Melb), ASA Independent Non-Executive Director	Appointed 15 January 1996, resigned 16 August 2017 Audit, Finance and 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.

Melbourne Convention Bureau Ltd

A.B.N. 62 072 324 933

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2018

1. DIRECTORS (CONTINUED)

Name, Qualifications and Independence Status	Experience, special responsibilities and other directorships
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.
Adrian Williams Independent Non-Executive Director	Appointed 16 August 2017 Vice President of Operations Accor, Victoria, Tasmania and South Australia.

2. COMPANY SECRETARY

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

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	4	2	-	-
Peter King	6	5	4	2	-	-
Julia Langdon	6	6	4	4	-	-
Darryl L Washington	1	1	1	1	-	-
Peter Bingeman	6	5	-	-	1	1
Adrian Williams	5	4	-	-	-	-

A Number of meetings held during the time the Director held office during the year

B Number of meetings attended

* By invitation only

Melbourne Convention Bureau Ltd

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DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2018

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 2018 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.

6. OPERATING AND FINANCIAL REVIEW

Revenue from operations for the year ended 30 June 2018 was \$12,814,829 (2017 restated: \$11,310,820). The result for the current year is a surplus of \$1,180,936 (2017 restated: \$358,808).

During the year, the Company re-assessed its relationship in the management of contractual funding by recognising certain grant income and grant expenditure in a principal relationship rather than as agent as had previously been the case. The result of this change was to bring to account a surplus of \$1,013,885 in the current year through Profit and Loss with a representative increase in cash at bank.

7. STATE OF AFFAIRS

In the opinion of the directors there were no significant changes in the state of affairs of the company that occurred during the financial year under review.

8. DIVIDENDS

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

9. 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.

10. LIKELY DEVELOPMENTS

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

11. 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.

Melbourne Convention Bureau Ltd

A.B.N. 62 072 324 933

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2018

11. INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS (continued)

(b) Insurance premiums

During the financial year the Company has paid insurance premiums totalling \$3,947 (2017: \$2,391) 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.

12. 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 2018 the number of members was 203 (2017: 207).

13. LEAD AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration is set out on page 38 and forms part of the Directors' Report for the year ended 30 June 2018.

This report is made with a resolution of the Directors:



Christopher Barlow
Director



Peter Bingeman
Director

Dated at Melbourne this 12th day of September 2018.

Melbourne Convention Bureau Ltd

A.B.N. 62 072 324 933

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 \$	2017 Restated \$
Operating revenue	5 a)	11,800,944	11,310,820
Revenue relating to future years	5 b)	1,013,885	-
Other income		5,240	207,366
Grant payments		(3,053,818)	(2,225,925)
Sales and marketing expenses		(3,398,591)	(3,078,343)
Employee benefit expenses		(4,103,774)	(4,743,600)
Administrative expenses		(1,132,273)	(1,147,080)
Result from operating activities		1,131,613	323,239
Finance income		49,323	36,146
Finance costs		-	(577)
Net finance income	6	49,323	35,569
Operating profit for the year		1,180,936	358,808
Total comprehensive income for the year		1,180,936	358,808

The notes on pages 20 to 36 are an integral part of these financial statements.

Melbourne Convention Bureau Ltd
A.B.N. 62 072 324 933
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	Note	2018 \$	2017 Restated \$
Assets			
Cash and cash equivalents	7	4,932,984	4,053,405
Trade and other receivables	8	340,925	283,892
Total current assets		5,273,909	4,337,297
Plant and equipment	9	4,707	29,985
Intangible assets	10	-	11,419
Total non-current assets		4,707	41,404
Total assets		5,278,616	4,378,701
Liabilities			
Trade and other payables	11	700,447	852,108
Borrowings	12	-	14,258
Employee benefits	13	455,260	620,636
Total current liabilities		1,155,707	1,487,002
Employee benefits	13	100,508	50,234
Total non-current liabilities		100,508	50,234
Total liabilities		1,256,215	1,537,236
Net assets		4,022,401	2,841,465
Equity			
Retained earnings		4,022,401	2,841,465
Total equity		4,022,401	2,841,465

The notes on pages 20 to 36 are an integral part of these financial statements.

Melbourne Convention Bureau Ltd

A.B.N. 62 072 324 933

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2018

	2018 \$	2017 Restated \$
Retained earnings		
Opening balance at 1 July	2,841,465	2,482,657
Total comprehensive income for the year		
Profit/(loss) for the year	1,180,936	358,808
Other comprehensive income	-	-
Total comprehensive income/(loss) for the year	1,180,936	358,808
Closing balance at 30 June	4,022,401	2,841,465

The notes on pages 20 to 36 are an integral part of these financial statements.

Melbourne Convention Bureau Ltd

A.B.N. 62 072 324 933

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 \$	2017 Restated \$
Cash flows from operating activities			
Cash received from customers and funding bodies		13,720,402	12,951,187
Cash paid to suppliers and employees		(12,876,325)	(12,494,044)
Cash generated from operations		844,077	457,143
Interest received		49,323	36,146
Interest paid		-	(577)
Net cash providing by operating activities		893,400	492,712
Cash flows from investing activities			
Acquisitions of plant and equipment		-	(12,722)
Acquisitions of intangibles		-	(9,762)
Net cash used in investing activities		-	(22,484)
Cash flows from financing activities			
Finance lease payments		(13,821)	(16,727)
Net cash used in financing activities		(13,821)	(16,727)
Net increase in cash and cash equivalents		879,579	453,501
Cash and cash equivalents at 1 July		4,053,405	3,599,904
Cash and cash equivalents at 30 June	7	4,932,984	4,053,405

The notes on pages 20 to 36 are an integral part of these financial statements.

Melbourne Convention Bureau Ltd

A.B.N. 62 072 324 933

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

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 2018. 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. RESTATEMENT OF COMPARATIVE INFORMATION

a) Grant Funding

The Company re-assessed its relationship in the management of grant funding by recognising certain grant income and grant expenditure in a principal relationship rather than as agent. The result of this change was a decrease to the Company's prior year net profit of \$76,169 and an increase in its cash and cash equivalents of \$913,642.

b) Citywide Support

The Company re-assessed its methodology for the recognition of costs incurred in connection with the securing and hosting of certain events. As a consequence of this change in methodology, the Company's prior year net profit has increased by \$288,247 with a corresponding decrease in other payables in the statement of financial position.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME For the year ended 30 June 2017

	2017 Previously Reported \$	Adjustment \$	Restated \$
Revenue	9,161,379	2,149,441	11,310,820
Grant payments	-	(2,225,925)	(2,225,925)
Employee benefit expenses	-	(4,743,600)	(4,743,600)
Sales and marketing expenses	(7,694,089)	4,615,746	(3,078,343)
Administrative expenses	(1,563,181)	416,101	(1,147,080)
Result from operating activities	111,475	211,764	323,239
Finance income	35,832	314	36,146
Net finance income	35,255	314	35,569
Profit/(loss) for the year	146,730	212,078	358,808
Total comprehensive income/(loss) for the year	146,730	212,078	358,808

Melbourne Convention Bureau Ltd

A.B.N. 62 072 324 933

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018 (continued)

2. RESTATEMENT OF COMPARATIVE INFORMATION (continued)

STATEMENT OF FINANCIAL POSITION As at 30 June 2017			
	2017 Previously Reported \$	Adjustment \$	Restated \$
Assets			
Cash and cash equivalents	3,139,763	913,642	4,053,405
Total current assets	3,423,655	913,642	4,337,297
Total assets	3,465,059	913,642	4,378,701
Liabilities			
Trade and other payables	1,140,355	(288,247)	852,108
Total current liabilities	1,775,249	(288,247)	1,487,002
Total liabilities	1,825,483	(288,247)	1,537,236
Net assets	1,639,576	1,201,889	2,841,465
Equity			
Retained earnings	1,639,576	1,201,889	2,841,465
Total equity	1,639,576	1,201,889	2,841,465

STATEMENT OF CHANGES IN EQUITY For the year ended 30 June 2017			
	2017 Previously Reported \$	Adjustment \$	Restated \$
Retained earnings			
Opening balance at 1 July	1,492,846	989,811	2,482,657
Total comprehensive income for the year			
Profit/(loss) for the year	146,730	212,078	358,808
Other comprehensive income			
Total comprehensive income/(loss) for the year	146,730	212,078	358,808
Closing balance at 30 June	1,639,576	1,201,889	2,841,465

Melbourne Convention Bureau Ltd

A.B.N. 62 072 324 933

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018 (continued)

2. RESTATEMENT OF COMPARATIVE INFORMATION (continued)

STATEMENT OF CASH FLOWS For the year ended 30 June 2017			
	2017 Previously Reported \$	Adjustment \$	Restated \$
Cash flows from operating activities			
Cash received from customers and funding bodies	10,801,746	2,149,441	12,951,187
Cash paid to suppliers and employees	(10,268,120)	(2,225,924)	(12,494,044)
Cash generated from operations	533,626	(76,483)	457,143
Interest received	35,832	314	36,146
Net cash (used in) operating activities	568,881	(76,169)	492,712
Net increase in cash and cash equivalents	529,670	(76,169)	453,501
Cash and cash equivalents at 1 July	2,610,093	989,811	3,599,904
Cash and cash equivalents at 30 June	3,139,763	913,642	4,053,405

3. 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 12th September 2018. Details of the Company's accounting policies, including changes during the year, are included in note 4.

(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.

Melbourne Convention Bureau Ltd

A.B.N. 62 072 324 933

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018 (continued)

3. BASIS OF PREPARATION (continued)

(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.

4. SIGNIFICANT ACCOUNTING POLICIES

Except for any changes noted in 4(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.

Melbourne Convention Bureau Ltd

A.B.N. 62 072 324 933

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018 (continued)

4. 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.

Melbourne Convention Bureau Ltd

A.B.N. 62 072 324 933

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018 (continued)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

	2018	2017
Plant and equipment	3 - 5 years	3 - 5 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. The estimated useful lives for the current and comparative periods are as follows:

	2018	2017
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.

(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.

Melbourne Convention Bureau Ltd

A.B.N. 62 072 324 933

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018 (continued)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(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.

(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.

Melbourne Convention Bureau Ltd

A.B.N. 62 072 324 933

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018 (continued)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(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 funding

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

(ii) Membership 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 revenue

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.

(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.

Melbourne Convention Bureau Ltd

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018 (continued)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) LEASE PAYMENTS (continued)

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 4 to all periods presented in these financial statements.

(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 2017. 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.

Melbourne Convention Bureau Ltd

A.B.N. 62 072 324 933

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018 (continued)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) NEW STANDARDS AND INTERPRETATIONS

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.

5. REVENUE

	2018 \$	2017 Restated \$
a) Operating revenue		
State Government funding – MCET ¹	1,739,100	1,694,123
State Government funding – DEDJTR ²	7,058,818	6,349,441
City of Melbourne funding	500,000	500,000
Industry co-operative revenue	1,040,577	1,289,880
Member revenue	1,054,491	1,002,319
Advertising sales revenue	175,075	220,600
In-kind co-operative revenue	232,883	254,457
	11,800,944	11,310,820
b) Income received in advance	1,013,885	-
Total Revenue	12,814,829	11,310,820

¹ MCET – Melbourne Convention and Exhibition Trust

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

Melbourne Convention Bureau Ltd

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018 (continued)

6. FINANCE INCOME AND FINANCE COSTS

	2018 \$	2017 Restated \$
Finance income		
Interest income on bank deposits	49,796	36,146
Finance costs		
Interest expense on financial liabilities	(473)	(577)
Net finance income	49,323	35,569

7. CASH AND CASH EQUIVALENTS

	2018 \$	2017 Restated \$
Bank balances	4,932,440	4,051,781
Cash on hand	544	1,624
Cash and cash equivalents	4,932,984	4,053,405

8. TRADE AND OTHER RECEIVABLES

	2018 \$	2017 \$
Other trade receivables	166,047	271,000
Provision for impairment	(9,117)	(82,805)
Other receivables	183,995	95,697
	340,925	283,892

Impairment losses

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

	2018 \$	2017 \$
Balance at 1 July	82,805	53,264
Impairment loss (derecognised)/recognised	(73,688)	29,541
Balance at 30 June	9,117	82,805

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.

Melbourne Convention Bureau Ltd

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018 (continued)

9. PLANT AND EQUIPMENT

	Leasehold Improvements \$	Plant and Equipment \$	Leased Plant \$	Total \$
Cost				
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
Balance at 1 July 2017	-	60,091	81,312	141,403
Acquisitions	-	-	-	-
Disposals	-	(1,960)	-	(1,960)
Balance at 30 June 2018	-	58,131	81,312	139,443
Depreciation and amortisation				
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
Balance at 1 July 2017	-	46,323	65,095	111,418
Depreciation	-	11,808	11,510	23,318
Disposals	-	-	-	-
Balance at 30 June 2018	-	58,131	76,605	134,736
Carrying amounts				
At 30 June 2017	-	13,768	16,217	29,985
At 30 June 2018	-	-	4,707	4,707

Melbourne Convention Bureau Ltd

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018 (continued)

10. INTANGIBLE ASSETS

	Computer Software \$
Cost	
Balance at 1 July 2016	586,953
Acquisitions	9,762
Disposals/transfers	(223,757)
Balance at 30 June 2017	372,958
Balance at 1 July 2017	372,958
Acquisitions	-
Disposals/transfers	-
Balance at 30 June 2018	372,958
Depreciation and amortisation	
Balance at 1 July 2016	456,726
Amortisation	128,569
Disposals	(223,756)
Balance at 30 June 2017	361,539
Balance at 1 July 2017	361,539
Amortisation	11,419
Disposals	-
Balance at 30 June 2018	372,958
Carrying amounts	
At 30 June 2017	11,419
At 30 June 2018	-

Melbourne Convention Bureau Ltd

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018 (continued)

11. TRADE AND OTHER PAYABLES

	2018 \$	2017 Restated \$
Trade payables	226,605	131,935
Income in advance	54,720	166,933
Other payables and accrued expenses	419,122	553,240
	700,447	852,108

12. BORROWINGS

	2018 \$	2017 \$
Current liabilities		
Current portion of finance lease liabilities	-	14,258
	-	14,258

Finance lease liabilities

Finance lease liabilities of the Company are payable as follows:

	Future minimum lease payments 2018 \$	Future minimum lease payments 2017 \$
Less than one year	-	14,420
Between one and five years	-	-
More than five years	-	-
		14,420
Future finance charges	-	(162)
Total lease liabilities	-	14,258

Melbourne Convention Bureau Ltd

A.B.N. 62 072 324 933

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018 (continued)

13. EMPLOYEE BENEFITS

	2018 \$	2017 \$
Current		
Annual leave	205,935	244,039
Long service leave	65,048	178,199
Others	(9,405)	3,699
Employee bonus liability	193,682	194,699
	455,260	620,636
Non-current		
Long service leave	100,508	50,234
	555,768	670,870

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

Defined contribution superannuation plans

For the year ended 30 June 2018 the Company has paid contributions of \$291,020 to defined contribution superannuation plans on behalf of its employees. (2017: \$312,323).

14. OPERATING LEASES

The company does not have any non-cancellable operating lease rentals payables.

The Company 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 \$45,752 was recognised as an expense in profit or loss in respect of operating leases (2017: \$228,707).

15. RELATED PARTIES

(a) Key management personnel compensation

The key management personnel compensation was \$1,316,701 for the year ended 30 June 2018 (2017: \$1,216,081). Key management personnel compensation includes the payment of Director's Fees to Christopher Barlow of \$38,325 (2017: \$40,075).

(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.

Melbourne Convention Bureau Ltd

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018 (continued)

15. RELATED PARTIES (continued)

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	
			2018 \$	2017 \$	2018 \$	2017 \$
Mr. J. Clark – The Lancemore Group	Revenue - member and advertising sales	(i)	-	2,000	-	-
	Expenditure – sales and marketing		-	-	-	-
Mr. P. King – Melbourne Convention and Exhibition Trust	Revenue – MCET funding	(ii)	1,739,100	1,694,123	-	-
	Revenue –sales and marketing		-	75,056	-	6,824
	Expenditure – sales and marketing		17,285	29,363	-	-
Mr. D. Washington - Australian Hotels Association	Revenue – member sales	(iii)	-	2,000	-	-
	Expenditure – sales and marketing		-	-	-	-
Mr. P. Bingeman - Visit Victoria	Revenue – VV funding	(iv)	58,878	4,200,000	-	-
	Expenditure – sales and marketing		992,116	-	-	-
Ms. Julia Langdon - Ernst and Young	Revenue – VV funding	(v)	-	-	-	-
	Expenditure – sales and marketing		22,000	-	-	-

(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 \$1,739,100 (2017:\$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) Visit Victoria(VV) provide 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 \$58,878 (2017:\$4,200,000).

(v) Ms Julia Langdon is a partner of Ernst and Young.

Melbourne Convention Bureau Ltd

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018 (continued)

15. RELATED PARTIES (continued)

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

	2018 \$	2017 \$
Current receivables		
Trade debtors	-	6,824
Less: Impairment loss	-	-
		6,824
Current Payables		
Trade creditors	-	-

Melbourne Convention Bureau Ltd

A.B.N. 62 072 324 933

DIRECTORS' DECLARATION

FOR YEAR ENDED 30 JUNE 2018

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 16 to 36, 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 2018 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
- (c) 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:



Christopher Barlow
Director



Peter Bingeman
Director

Dated at Melbourne this 12th day of September 2018.

Auditor-General's Independence Declaration

To the Directors, Melbourne Convention Bureau Limited

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General, an independent officer of parliament, is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised.

Under the *Audit Act 1994*, the Auditor-General is the auditor of each public body and for the purposes of conducting an audit has access to all documents and property, and may report to parliament matters which the Auditor-General considers appropriate.

Independence Declaration

As auditor for Melbourne Convention Bureau Limited for the year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of auditor independence requirements of the *Corporations Act 2001* in relation to the audit.
- no contraventions of any applicable code of professional conduct in relation to the audit.



MELBOURNE
13 September 2018

Simone Bohan
as delegate for the Auditor-General of Victoria

Independent Auditor's Report

To the Directors of Melbourne Convention Bureau Limited

Opinion	<p>I have audited the financial report of Melbourne Convention Bureau Limited (the company) which comprises the:</p> <ul style="list-style-type: none">• statement of financial position as at 30 June 2018• statement of profit or loss and other comprehensive income for the year then ended• statement of changes in equity for the year then ended• statement of cash flows for the year then ended• notes to the financial statements, including significant accounting policies• directors' declaration. <p>In my opinion the financial report is in accordance with the <i>Corporations Act 2001</i> including:</p> <ul style="list-style-type: none">• giving a true and fair view of the financial position of the company as at 30 June 2018 and its financial performance and cash flows for the year then ended• complying with Australian Accounting Standards and the <i>Corporations Regulations 2001</i>.
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the company in accordance with the auditor independence requirements of the <i>Corporations Act 2001</i> and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Directors' responsibilities for the financial report	<p>The Directors of the company are responsible for the preparation of a financial report that gives a true and fair view in accordance with Australian Accounting Standards and the <i>Corporations Act 2001</i>, and for such internal control as the Directors determine is necessary 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.</p> <p>In preparing the financial report, the Directors are responsible for assessing the company'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 it is inappropriate to do so.</p>

**Auditor's
responsibilities
for the audit of
the financial
report**

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit 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 the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors
- conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

I also provide the Directors with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.



Simone Bohan

as delegate for the Auditor-General of Victoria

MELBOURNE
13 September 2018

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MELBOURNE CONVENTION BUREAU

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