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## MINISTER'S MESSAGE

The business events industry in Victoria continues to reinforce its reputation as the region's leader in delivering world-class conferences.

Melbourne was deservedly recognised as Australasia's Leading Meetings & Conference Destination by the World Travel Awards in October 2013. The World Travel Awards accolade is a testament to the city's infrastructure, intellectual capital and aesthetics, as well as the commitment and dedication of the people working in the industry.

In the 2013/14 financial year, the Melbourne Convention Bureau (MCB) secured 175 business events with an estimated economic contribution of \$246 million. This is a 32 per cent increase over 2012/13 in economic contribution which clearly demonstrates the solid growth business events can deliver.

The Victorian Coalition Government recognises this achievement and is a strong advocate for business events as a key driver in a changing economic environment, taking an active role with the MCB to attract international association conferences and incentive travel programs to Victoria.

The Government launched *Victoria's 2020 Tourism Strategy* at the National Tourism and Events Excellence Conference in Melbourne in July 2013. The strategy outlines the government's plan to increase the state's overnight tourism expenditure to \$24.7 billion by 2020.

The *2020 Tourism Strategy* demonstrates the Victorian Coalition Government's commitment to business events by identifying the sector as one of seven priority action areas to realise the potential in the Victorian tourism industry. Delivering an economic impact of \$1.2 billion and 22,000 jobs each year, business events maintain a consistent visitation rate and generate revenue for business outside of the major events calendar, often in traditionally low-peak periods.

Stimulating regional tourism is a key focus of the Strategy and the disbursement of conference delegates throughout regional Victoria is significant. MCB's *Melbourne Convention Delegate Study 2013* identified that more delegates are taking the opportunity to explore regional Victoria. I am delighted that 38 per cent of international delegates visit regional Victoria before or after a conference, with more than 20,000 international conference and incentive travel delegates from MCB secured events visiting regional Victoria in 2013/14.

A significant initiative launched by the Victorian Coalition Government in April 2014 was the *Global Health Melbourne Plan - Taking Victoria's health strengths to the world*. This initiative is further acknowledgement of the value international association conferences deliver to the state as health and medical conferences are identified as one of the seven key state strengths.

It has been a year of strong policy leadership by the Victorian Coalition Government and within this is a solid commitment to expanding Victoria's business events industry.

I would like to take this opportunity to thank MCB and especially CEO Karen Bolinger for all the excellent work over the past twelve months. The results that have been achieved speak for themselves.

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.

**The Hon. Louise Asher MLA**

Minister for Innovation  
Minister for Tourism and Major Events  
Minister for Employment and Trade



## CHAIRMAN'S MESSAGE

In the 2013/14 financial year MCB delivered a solid performance in a challenging environment and continued to leverage off its competitive position to achieve some significant bid wins.

A highlight from the results was the delivery of a 32 per cent increase in economic contribution on the previous year, which was an outstanding achievement for MCB. This result was delivered from 175 secured business events with a total estimated economic contribution of \$246 million.

Competition to secure business events for Melbourne is now stronger than ever before, with the continued growth of conference destinations in Asia and new domestic government investment in convention centre infrastructure.

Despite the competitive climate, 2013/14 was an active year for MCB with an overall strike rate of 63 per cent for its international association business. MCB secured four major international association conferences; the 15th World Congress on Public Health, the World Congress on Intensive and Critical Care Medicine, the World Engineers' Convention and the XIII International Congress of Dermatology.

The successful bid for the 15th World Congress on Public Health was a particularly significant win against strong host city competitors London and Barcelona.

Collectively, these conferences are expected to attract over 43,000 delegates and contribute more than \$54.3 million to the Victorian economy from 2017 to 2021.

MCB also delivered a total of 171 events in 2013/14 with an estimated economic contribution of \$282 million and more than 69,000 delegates.

Melbourne hosted the 22nd World Diabetes Congress in December 2013 and the World Congress of Cardiology in May 2014 with a combined delegate attendance of over 16,000. With the 20th International AIDS Conference in July 2014, Melbourne is the first city in the world to host three of the largest and most prestigious health-related conferences in a calendar year. This is a feat unlikely to be emulated by any other city and showcases Melbourne and Victoria to the world.

Although 2013/14 was a year of many achievements for MCB, there were challenges to be faced with existing funding agreements coming to a conclusion during the financial year. Whilst the funding to tourism announced in the 2014/15 Victorian State Budget in May was a positive one for the industry, MCB did receive a reduction to its funding.

The MCB team is passionate and committed and the 2013/14 financial results are a reflection of this; demonstrating to its partners, stakeholders and industry that MCB is a strong, financially sustainable organisation delivering a valuable contribution to Victoria's tourism and wider economy.

On behalf of the Board of Directors I would like to thank Karen Bolinger and her team for the excellent results they have achieved and acknowledge the industry and Government partnerships for their ongoing support provided to MCB.

Chris Barlow  
Chairman



## CEO'S MESSAGE

I am incredibly proud of the results MCB has achieved in the 2013/14 financial year and the strong pipeline of business established to move us forward.

2013/14 was a year in which Melbourne was officially recognised by the World Travel Awards as the region's leading conference destination and hosted two of the world's largest health-related conferences, the 22nd World Diabetes Congress 2013 and the World Congress of Cardiology 2014.

Melbourne also received significant global attention as the Host City partner for Dreamtime, Tourism Australia's signature event for showcasing the destination's incentive experiences to international business events buyers. This was the first time ever that Dreamtime was held in Melbourne, with the city setting a new benchmark in the delivery of the event.

Melbourne's ongoing success in delivering business events in Victoria would not be possible without the continued support of our members. In light of increasing competition the contribution of members is more invaluable than ever before and I would like to take this opportunity to thank each and every one of MCB's 270+ members.

This year also saw the launch of the MCB *Melbourne Convention Delegate Study 2013* as part of Business Events Week in February 2014. The Study examined the conference delegate experience and their travel and spending habits, and provides evidence of the significant economic value of conferences. This presents a strong business case for stakeholders to continue to support the industry.

A key focus for MCB in 2013/14 was the conclusion of the five-year agreements between MCB and the Victorian State Government, City of Melbourne and Melbourne Convention and Exhibition Trust (MCET). In advocating for the next period of funding MCB implemented an engagement strategy to foster closer connections and increase awareness of the value of business events across all levels of government.

Initiatives delivered in line with this included restructuring of business development activities to align more effectively with government policy and state strengths and a shift in media and PR focus from trade to mainstream. MCB has increased levels of government engagement and will seek to maximise the collaboration opportunities within these relationships.

Supporting the business strategy in 2013/14 MCB also launched a new integrated digital platform with the implementation of its new Simpleview Customer Relationship Management (CRM) system and website. These new technologies evolve MCB's ability to manage its interactions and create increased value for our members, stakeholders and clients.

We live in such a unique and forward-thinking city and it is a privilege to be able to lead MCB in promoting Melbourne to the world. Of course I would not be able to do this without the continued support of the MCB Board and the dedication and endless energy of the entire MCB team - thank you for all your hard work.

**Karen Bolinger**

Chief Executive Officer  
Melbourne Convention Bureau

# A SNAPSHOT OF THE CONFERENCE DELEGATE EXPERIENCE AND THEIR CONTRIBUTION TO THE ECONOMY

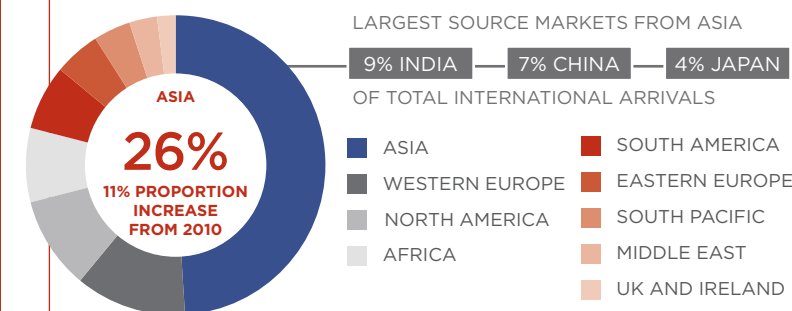
## MELBOURNE CONVENTION DELEGATE STUDY 2013



> **3,846 SURVEYS**  
were completed by delegates from

> **150 COUNTRIES**  
attending five major international conferences

### ARRIVING FROM ASIA IN GREATER NUMBERS



### TRAVELLING WITH FAMILY AND FRIENDS



OF ALL DELEGATES WERE ACCOMPANIED ON THEIR TRIP TO MELBOURNE



**100 DELEGATES BRING 68 ADDITIONAL VISITORS INTO MELBOURNE**

### SPENDING UP BIG DURING THEIR STAY



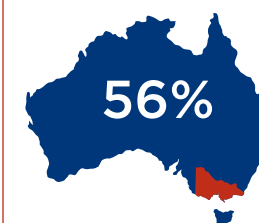
SPEND AN AVERAGE OF \$87 PER DAY ON SHOPPING

**\$** INTERNATIONAL DELEGATES SPEND AN AVERAGE OF **\$1019 PER DAY**

**\$** NATIONAL DELEGATES SPEND AN AVERAGE OF **\$959 PER DAY**

SURVEYED INTERNATIONAL DELEGATES INJECTED MORE THAN **\$1M** INTO LOCAL RETAILERS

### TOURING PRE AND POST CONFERENCE

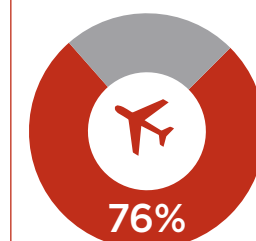


OF ALL DELEGATES VISITED REGIONAL VICTORIA AND/OR OTHER PARTS OF AUSTRALIA

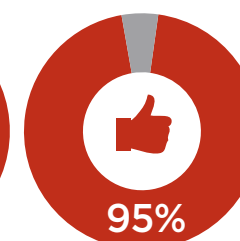


**26%**  
INCREASE FROM 2010

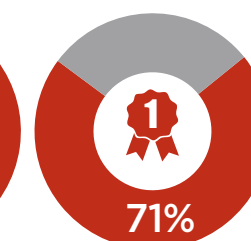
### RETURNING FOR A HOLIDAY



WOULD RETURN TO MELBOURNE



WOULD RECOMMEND MELBOURNE



WERE FIRST TIME VISITORS

INTERNATIONAL DELEGATES





# HIGHLIGHTS

## 2013/14 FINANCIAL YEAR

### Business secured:

175 events

59,469 estimated delegates

139,481  
estimated room nights

\$246.5M  
estimated economic contribution

### Business held:

171 events\*

69,678 estimated delegates

201,210 estimated nights

\$282M  
estimated economic contribution

\* These events were secured by MCB in previous years

### MAJOR BID WINS

- > **World Congress on Public Health 2017**  
2000 estimated delegates  
\$11.2M estimated economic impact
- > **World Congress on Intensive and Critical Care Medicine 2019**  
2700 estimated delegates  
\$15.1M estimated economic impact
- > **World Congress of Ultrasound in Medicine and Biology 2019**  
2000 estimated delegates  
\$8.9M estimated economic impact
- > **World Engineers' Convention 2019**  
2500 estimated delegates  
\$16.8M estimated economic impact
- > **XIII International Congress on Dermatology 2021**  
2500 estimated delegates  
\$11.2M estimated economic impact
- > Submitted 147 international, national and incentive bids with a bid strike rate across the business of 63 per cent
- > Delivered the 22nd World Diabetes Congress in December and World Congress of Cardiology in May; two of the world's largest and most prestigious health-related conferences
- > Hosted Taiwan's Shin Kong Life Insurance Company's incentive travel reward program, with 1200 delegates and an estimated contribution of \$4.5 million
- > Hosted Dreamtime, Tourism Australia's signature incentive program, showcasing Melbourne to 86 international buyers and 18 media from 14 countries
- > Released the MCB *Melbourne Convention Delegate Study 2013*, highlighting the value of business events
- > Appointed Professor Ian Chubb, Australia's Chief Scientist, as Ambassador for Business Events Week 2014
- > Announced Melbourne as Australasia's Leading Meetings & Conference Destination - World Travel Awards 2013
- > Launched a new integrated digital platform with the MCB website and new Customer Relationship Management (CRM) system



# BUSINESS GROWTH

## BUSINESS DEVELOPMENT AND BIDS

In the 2013/14 financial year MCB secured:

**41** association bids and assisted business  
(34 international and 7 national)

**34,230** expected delegates

**110,345** expected room nights

**\$165.3M**  
estimated economic contribution



22nd World Diabetes Congress 2013



### INTERNATIONAL ASSOCIATIONS

Aligning MCB's business development and bid opportunities with the Victorian State Government priority sectors continues to be instrumental in driving business growth. Focusing on these key industry and research strengths the Business Development team has been extremely successful in identifying and recruiting local bid leaders, with whom MCB can work with to secure business events for the state.

Melbourne's global reputation as a centre of expertise in science, medical and health is a drawcard for international associations. Successful bids for major events included:

EVENT	DELEGATES*
<b>2017</b> World Congress on Public Health	2000
<b>2019</b> World Congress on Intensive and Critical Care Medicine	2700
<b>2019</b> World Congress of Ultrasound in Medicine and Biology	2000
<b>2019</b> World Engineers' Convention	2500
<b>2021</b> XIII International Congress on Dermatology	2500

\* estimated

The 15th World Congress on Public Health, to be held at the Melbourne Convention and Exhibition Centre (MCEC) in 2017 was a significant win against strong host city competitors London and Barcelona.

**These five events alone are expected to attract more than 50,000 delegates between 2017 and 2021 with an estimated economic contribution in excess of \$57 million.**

To maximise bid opportunities MCB strengthened its collaboration with MCEC on the Club Melbourne Ambassador Program. In 2013/14 Club Melbourne Ambassadors assisted MCB with 14 bid wins, with an economic contribution of over \$78,000. Club Melbourne Ambassadors, Professor Rod Sinclair, Mr Stephen Durkin, and Dr Andrew Ngu assisted on key bid wins for MCB including the XIII International Congress of Dermatology 2021, the World Engineers Convention 2019 and the Congress of Ultrasound in Medicine and Biology 2019, respectively.

2013/14 was also a successful year in delivered events with Melbourne hosting several of the world's largest and most prestigious medical and health-related conferences. The city hosted the 22nd World Diabetes Congress in December 2013 and the World Congress of Cardiology in May 2014, with a combined delegate attendance of over 16,000.

With the 20th International AIDS Conference in July 2014, Melbourne becomes the first city in the world to host three of the largest health-related conferences in a calendar year.

These landmark conferences deliver unparalleled legacy opportunities for the city and MCB, and create a positioning platform for future success as other international associations look to hold their conferences in such a world-leading knowledge centre.

### A Global Presence

It was also a strong year for sales activities in key international target markets in the US and Europe including at the Associations Congress (Paris), EIBTM (Barcelona) and IMEX (Frankfurt and Las Vegas). In its first full-year of operation, MCB and MCEC's dedicated North American office gained significant traction in the market, creating a strong presence in the region and developing a pipeline of long-term new leads for events from 2017 to 2021.

Melbourne continued to leverage the BestCities Global Alliance with partners attending media and client events at IMEX Frankfurt and IMEX America and a global client workshop in Houston in October. In 2013/14 the Tokyo Convention and Visitors Bureau (TCVB) became the Alliance's first partner from North East Asia, creating networking and intelligence opportunities in a region of focus for MCB.



Dreamtime 2013 ▶



Taiwan's Shin Kong  
Life Insurance  
Company incentive  
travel reward program

## CORPORATE AND INCENTIVE TRAVEL

In the 2013/14 financial year MCB  
secured:

**66** incentive and corporate  
travel bids and assisted business

**9951** expected delegates

**21,828** expected room nights

**\$44.4M**  
estimated economic contribution

### CORPORATE AND INCENTIVE TRAVEL

The Incentive team embarked on a rigorous lead generation program this financial year, achieving a strong platform for future growth and increased profile from key feeder markets.

A highlight was winning the bid for Taiwan's Shin Kong Life Insurance Company incentive travel reward program; the first time in ten years that Shin Kong had rewarded such a large delegation outside of Asia. Melbourne hosted 1200 delegates in April for four days providing an estimated contribution to the state's economy of \$4.5 million.

During 2013/14 the Incentive team undertook sales activities in China, Hong Kong, Taiwan, Korea, Malaysia, Indonesia, India, Vietnam and New Zealand. MCB brought more than 30 buyers to Melbourne from eight countries during the year and hosted numerous client site inspections, providing a unique opportunity for buyers to experience Melbourne first-hand.

The team also participated in key tradeshow and roadshows across the world including CIBTM China, PAICE New Zealand, and the Australian Tourism Exchange (ATE) as well as trade missions in India, China, North Asia and South East Asia. These business development activities provided an opportune platform to directly connect and engage with meeting and incentive agents with a strong interest in Melbourne and Victoria's incentive products.

### NATIONAL ASSOCIATION AND CORPORATE

MCB also continued to deliver strong results and showcase Melbourne and regional Victoria to the rest of Australia through its Melbourne Meetings + Events Service (MM+ES), which provides corporate meeting planners with free planning assistance. In this year MCB directly generated business for its members and secured nearly 70 events with an estimated economic contribution of just under \$37 million.

## MELBOURNE MEETINGS + EVENTS SERVICE

In the 2013/14 financial year MCB  
secured:

**68** events

**15,288** estimated delegates

**7308** estimated room nights

**\$36.9M**  
estimated economic contribution



# STRATEGIC PARTNERSHIPS



## MEMBERSHIP

Growing its member value and building on existing relationships through increased engagement and activities resulted in another year of strong support for MCB from its membership base.

MCB achieved a 10 per cent increase in membership numbers in 2013/14, welcoming 28 new members across hotels, venues, attractions and business event services - taking the total number of MCB members to 270+.

Partners and stakeholders increasingly play a role in assisting MCB to bid for, win and deliver large international conferences and during the financial year members delivered solid support for major bids and significant events. Members also directly assisted MCB in showcasing the best experience Melbourne and Victoria has to offer during incentive fam and media programs. A continued focus on partnership will help to sustain Melbourne's position as the region's leading conference and meeting destination and deliver on its collaborative city reputation.

Introducing new initiatives to create value for partners was also a focus in 2013/14 and included new networking programs, enhanced profiling opportunities through digital marketing and new ways for members to leverage exclusive MCB membership activities. Member and client events provided forums for members to connect directly with industry and government leaders in informal, intimate surroundings. Events during the year were hosted by the Honourable Louise Asher MP and the Right Honourable Lord Mayor of Melbourne Robert Doyle.

In February 2014 28 members joined MCB on the Melbourne/Victoria stand at the Asia Pacific Incentives and Meeting Expo (AIME). This was the largest ever number of member exhibitors which created a complete destination experience for hosted buyers and industry trade visitors over the two days of AIME.

## GOVERNMENT

In 2013/14 MCB proactively developed relationships across government and industry sectors to increase the awareness of the value of business events and the role MCB has in delivering these business events to the state.

The major health and medical conferences Melbourne hosted in 2013/14, such as the 22nd World Diabetes Congress, the World Congress of Cardiology and the International Congress of the World Federation of Hemophilia, were leveraged as demonstration of the benefits to government and industry that business events can deliver. This engagement directly exposed stakeholders to the impact conferences can have on knowledge economies, investment, trade, research linkages and the wide dispersal of economic contribution.

MCB also focused on developing strategies to foster greater collaboration with the State Government and City of Melbourne, and aligning bids for conferences with their strategic priorities and policy direction. *The Global Health Melbourne Plan*, launched by the State Government in April 2014 identified health and medical conferences as one of the seven key Victorian strengths, and was used to support the contribution case for business events.

## CLIENTS

MCB worked closely with its clients to support delegate boosting activity domestically and in key global markets in the lead up to conferences in 2013/14. The focus was on driving delegate attendance for a number of major conferences including the 22nd World Diabetes Congress, the International Congress of the World Federation of Hemophilia and the World Congress of Cardiology. Delegate boosting activities ensured the conferences were promoted strongly and these three conferences delivered a combined delegate attendance of 20,000 from over 140 countries.

A key activity in this period was driving attendance and activating the city in advance of the largest health and development conference ever held in Australia, the 20th International AIDS Conference. MCB continued to work closely with the International Aids Society, the members of the Melbourne Planning Group and all levels of government throughout the year in the lead up to the event in July 2014.



# PROFILE AND POSITION



## DREAMTIME

The best of Melbourne was showcased in December 2013 when Melbourne hosted Dreamtime, Tourism Australia's signature incentive event. Dreamtime connected 86 international buyers and 18 media from 14 countries with 69 Australian sellers participating in the program.

The event plays an integral role in building the country's incentive and corporate events reputation amongst international markets and this was the first time Melbourne was the Host City partner with Tourism Australia. The Incentive team capitalised on this unique profiling opportunity and ensured first-time visitors to the city experienced the range of unique activities and attractions that Melbourne and regional Victoria has to offer.

MCB's members and partners provided invaluable support to MCB in delivering Dreamtime and demonstrated the collaborative spirit of Melbourne by setting a new benchmark in the delivery of the event for the Host City partner.

MCB also evolved its destination branding for the incentive market through its *Only in Melbourne* positioning. This strategy aligns back to Melbourne as a leading major events destination with MCB leveraging relationships with major event partners to create unique VIP incentive experiences. In 2013/14 the Incentive team collaborated with the Melbourne Food and Wine Festival, Victorian Racing Club, Tennis Australia and the Australian Grand Prix.

## AIME 2014 SNAPSHOT

**492** Hosted Buyers

**700+** exhibitors

**3000+** total visitors

**11,854** appointments between exhibitors and Hosted Buyers

**\$252M** in estimated business generated between exhibitors and Hosted Buyers

**28** countries represented

**2200** delegates at the AIME official Welcome Reception at Birrarung Marr

**19** pre-tours for Hosted Buyers and media in Melbourne and Regional Victoria

## AIME

The 22nd AIME was held on 18 and 19 February 2014 at MCEC and successfully maintained its attendance levels against 2013.

As part of the program more than 220 international and domestic hosted buyers and media delegates participated in AIME's pre-touring program, the largest representation in the Show's 22-year history.

More than 2500 Hosted Buyers, media and delegates attended the AIME Welcome Reception on the evening prior to AIME at the inner-city park of Birrarung Marr; positioned between Melbourne's sporting precinct and the city centre. The Welcome Reception literally popped-up on the site a few hours before doors opened to create an engaging and immersive event and to uniquely demonstrate what Melbourne is known for - unexpected discoveries around every corner.





15 February 2014 - Herald Sun - [View article](#)



10 February 2014 - Karen Bolinger on Switzer on Sky Business

## BUSINESS EVENTS WEEK

Building on from the inaugural event in 2013, MCB delivered its second Business Events Week in Melbourne from 17 to 21 February 2014. Business Events Week showcased the value of the industry to the economy, knowledge-base and tourism and created awareness of the significance of business events amongst the wider community.

The week-long program consisted of more than 60 events including workshops covering topics from medicine to technology and innovation. AIME 2014 was once again the centrepiece of Business Events Week.

A key initiative for Business Events Week was the introduction of an ambassador to gain media traction and reach an audience beyond the business events industry. Australia's Chief Scientist, Professor Ian Chubb, was the official Business Events Week Ambassador in 2014, with the strategy successfully creating profiling opportunities for MCB and business events and strong engagement with academia and industry.

## MARKETING AND PR

In 2013/14 MCB's media strategy focused on greater engagement with mainstream media, broadening reach beyond the trade publications. Business Events Week was used as the platform to gain greater mainstream media attention and connect with industry, corporate and government audiences.

Media activity generated 61 mentions in national and international media with a total circulation of 14,366,113. Major media highlights included a live broadcast interview with CEO Karen Bolinger on *Switzer*, Sky Business and a double-page spread in Victoria's Herald Sun.

Across 2013/14 MCB released 18 media releases that generated over 300 articles and hosted domestic and international media from India, South East Asia and New Zealand.

A key delivery in May 2014 was the launch of MCB's new website, offering a comprehensive event planning tool to make planning and delivering a meeting, conference or incentive trip in Melbourne effortless.

The website is part of MCB's new digital platform, integrating with the CRM system to provide increased value to members and greater business vision.

## Awards

MCB also generated a successful industry support campaign for the 2013 World Travel Awards and was named as Australasia's Leading Meetings & Conference Destination 2013. This award positions Melbourne competitively as a leading business events destination in the Asia-Pacific region.

# DIRECTORS' REPORT



# DIRECTORS’ REPORT

The Directors present their report together with the financial report of Melbourne Convention Bureau Ltd (the “Company”), for the financial year ended 30 June 2014 and the auditor’s report thereon.

## 1 DIRECTORS

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
<b>Christopher Barlow</b> <b>B.Sc. (Honours)</b> <b>Civil Engineering</b> <b>Independent Non-Executive Director</b>	Appointed 27 November 2001.  Appointed Chairman 28 November 2007.  Chairman Remuneration Committee.  Non-Executive Director and Chair of Remuneration Committee – Asciano Group; Chairman Northern Territory Airports (Darwin and Alice Springs). Previously Chief Executive Officer & Managing Director - Australian Pacific Airports Corporation (operators of Melbourne & Launceston Airports); formerly Developmental Director of BAA plc. Chartered Engineer.
<b>Dr Kathy Alexander</b> <b>Ph.D. in Public Health</b> <b>Independent Non-Executive Director</b>	Appointed 3 September 2008.  Chief Executive Officer, City of Melbourne.  Previously CEO of Women’s and Children’s Health (Royal Children’s Hospital and Royal Women’s Hospital). Has been a member of a number of Boards mainly in health and human service areas.
<b>Kate Brennan</b> <b>Independent Non-Executive Director</b>	Appointed 29 November 2006.  Risk Committee Chair.  Formerly CEO of Federation Square and the Adelaide Festival Centre Trust and previous member of numerous local and national cultural, tourism and development bodies. Currently Deputy Chair of the Executive Board of the Committee for Melbourne, a member of the Australia Council for the Arts’ Major Performing Arts Advisory Panel, the Gold Coast Mayor’s Arts Reference Group, an Honorary Fellow at Melbourne University and providing consulting and advisory services to major urban development projects nationally.
<b>Julian Clark</b> <b>Independent Non- Executive Director</b>	Appointed 24 November 2009.  Risk Committee Member.  CEO – The Lancemore Group (Victorian Hotels - Mansion Hotel & Spa at Werribee Park, Lancemore Hill, Lindenderry at Red Hill, Lindenwarrah at Milawa).  Board member of the Victorian Tourism Industry Council (VTIC) chairing its accommodation division; Board member of the Accommodation Association of Australia (AAoA) and President of the International Association of Conference Centre’s (IACC) – Australian chapter.
<b>Peter Crinis</b> <b>Independent Non-Executive Director</b>	Appointed 24 November 2010.  Chief Operating Officer – Hotels and Food & Beverage, Crown Melbourne Limited.  Board Member, Tourism Victoria  Board Member, TAA Victoria Accommodation Division.

Name, Qualifications and Independence Status	Experience, special responsibilities and other directorships
<b>Peter King</b> <b>Independent Non-Executive Director</b>	Appointed 31 January 2012  Deputy Chairman.  Audit & Finance Committee Member from February 2012.  Risk Committee Member from February 2012.  Chief Executive - Melbourne Convention and Exhibition Centre. Deputy Chairman, BECA (Business Events Council of Australia) and Board member of EEAA (Events and Exhibition Association of Australasia).  Former Chief Executive, Royal Agricultural Society of NSW and former Chief Executive, Sydney Showgrounds.
<b>Julia Langdon</b> <b>B. Com., B. Sc., FCA</b> <b>Independent Non-Executive Director</b>	Appointed 9 May 2013  Audit & Finance Committee Chair.  Partner, Advisory – Ernst & Young. Specific experience in risk management.
<b>Fran Thorn</b> <b>Independent Non-Executive Director</b>	Appointed 31 August 2012  Partner – Deloitte. Former Secretary Department of Health, Victoria, Secretary Department of Human Services, Victoria and Secretary Department of Innovation, Industry and Regional Development, Victoria.
<b>Darryl Washington</b> <b>B.Com (Melb), ASA</b> <b>Independent Non-Executive Director</b>	Appointed 15 January 1996.  Audit & Finance Committee Member from December 2011.  General Manager – Tourism Accommodation Australia (Vic) and AHA (VIC) Accommodation Division; Director and V.P. United Inn-Keeper Association Ltd; and Chair, City of Melbourne Hospitality Advisory & Retail Board.  Former AHA State and National President & Managing Director, United Innkeeper Hotels.
<b>Christopher B Woodruff</b> <b>Independent Non-Executive Director</b>	Appointed 28 November 2007.  Managing Director & Chief Executive Officer, Melbourne Airport.  Previously Director - Perth Airport, Director - Darwin Airport, CEO - Budapest Airport, Operations Director - Heathrow Airport, Retail Director – Gatwick and Heathrow Airports, Managing Director – World Duty Free Inflight and General Manager – Gatwick North Terminal.



2 COMPANY SECRETARY

Keith Herdman, B. Bus (RMIT) CPA, who has held various management roles in the private sector over the last thirty years, 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::

	Board of Directors Meetings		Audit and Finance Committee Meetings		Risk Committee Meetings		Remuneration Committee Meetings	
Director	A	B	A	B	A	B	A	B
Christopher Barlow	7	7	1*	1*	-	-	1	1
Dr Kathy Alexander	7	5	-	-	-	-	-	-
Kate Brennan	7	6	-	-	1	1	-	-
Julian Clark	7	6	-	-	1	1	-	-
Peter Crinis	7	2	-	-	-	-	1	1
Peter King	7	5	5	4	1	1	-	-
Julia Langdon	7	7	5	5	-	-	1	1
Fran Thorn	7	3	-	-	1	0	-	-
Darryl L Washington	7	5	5	3	-	-	-	-
Christopher Woodruff	7	5	-	-	-	-	-	-

- 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 2014 comprised business development activities promoting Melbourne as Australia’s premier business events destination and the securing of business events for Victoria. There were no significant changes in the nature of the activities of the Company during the year.

6 OPERATING AND FINANCIAL REVIEW

Revenue from operations for the year ended 30 June 2014 was \$11,439,170 (2013: \$12,339,128). The result for the year ended 30 June 2014 is a surplus of \$55,216 (2013: \$469,565 surplus). A detailed review of Company operations for the year is included in the CEO’s report.

Significant changes in the 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, other than as follows:
- > The Company receives annual grants from the State Government under 5 year funding agreements, the amounts of which are set out in note 4. The current funding agreements expired effective 30 June 2014. The 2014 State Government budget committed grant funding for the Company for a further 4 year term, expiring in June 2018.
- > The Company was advised during the year of a substantial reduction in non-member funding that would be received in the 2015 financial year and beyond. The Company has implemented measures, which included restructuring of personnel, to reduce expenditure in line with the expected level of revenue.

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 \$5,417 (2013: \$5,417) 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.

11 LEAD AUDITOR’S INDEPENDENCE DECLARATION

The lead auditor’s independence declaration is set out on page 28 and forms part of the Directors’ Report for the year ended 30 June 2014.

This report is made with a resolution of the Directors:



Christopher Barlow  
Director



Peter King  
Director

Dated at Melbourne this 3rd day of September 2014.



STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 \$	2013 \$
Revenue	4	11,214,516	12,229,295
Other income		224,654	109,833
Sales and marketing expenses		(9,438,411)	(10,162,214)
Administrative expenses		(2,038,242)	(1,822,539)
<b>Result from operating activities</b>		<b>(37,483)</b>	<b>354,375</b>
Finance income		98,729	121,534
Finance costs		(6,030)	(6,344)
<b>Net finance income</b>	<b>5</b>	<b>92,699</b>	<b>115,190</b>
<b>(Loss)/profit for the year</b>		<b>55,216</b>	<b>469,565</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>55,216</b>	<b>469,565</b>

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2014

	Note	2014 \$	2013 \$
<b>Assets</b>			
Cash and cash equivalents	6	4,233,753	4,830,993
Trade and other receivables	7	233,133	335,593
<b>Total current assets</b>		<b>4,456,886</b>	<b>5,166,586</b>
Plant and equipment	8	226,935	353,504
Intangibles assets	9	330,487	82,973
<b>Total non-current assets</b>		<b>557,422</b>	<b>436,477</b>
<b>Total assets</b>		<b>5,014,308</b>	<b>5,603,063</b>
<b>Liabilities</b>			
Trade and other payables	10	2,642,992	3,189,104
Borrowings	11	15,922	15,534
Employee benefits	12	591,411	616,676
Provisions	13	25,348	24,996
<b>Total current liabilities</b>		<b>3,257,673</b>	<b>3,846,310</b>
Borrowings	11	47,305	63,227
Employee benefits	12	46,315	63,960
Provisions	13	135,739	157,506
<b>Total non-current liabilities</b>		<b>229,359</b>	<b>284,693</b>
<b>Total liabilities</b>		<b>3,487,032</b>	<b>4,131,003</b>
<b>Net assets</b>		<b>1,527,276</b>	<b>1,472,060</b>
<b>Equity</b>			
Retained earnings		1,527,276	1,472,060
<b>Total equity</b>		<b>1,527,276</b>	<b>1,472,060</b>

The notes on pages 14 to 19 are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2014

	2014 \$	2013 \$
<b>Retained earnings</b>		
Opening balance at 1 July	1,472,060	1,002,494
<b>Total comprehensive income for the year</b>		
Profit for the year	55,216	469,566
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b>1,527,276</b>	<b>1,472,060</b>
<b>Closing balance at 30 June</b>	<b>1,527,276</b>	<b>1,472,060</b>

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2014

	Notes	2014 \$	2013 \$
<b>Cash flows from operating activities</b>			
Cash received from customers and funding bodies		12,694,766	12,107,811
Cash paid to suppliers and employees		(13,060,055)	(11,512,527)
<b>Cash generated from operations</b>		<b>(365,289)</b>	<b>595,284</b>
Interest received		98,729	121,534
<b>Net cash from operating activities</b>		<b>(266,560)</b>	<b>716,818</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of plant and equipment		710	1,337
Acquisitions of plant and equipment		(3,668)	(83,156)
Acquisitions of intangibles		(309,738)	(87,087)
<b>Net cash (used in) investing activities</b>		<b>(312,696)</b>	<b>(168,906)</b>
<b>Cash flows from financing activities</b>			
Finance lease payments		(17,984)	(19,893)
<b>Net cash (used in) financing activities</b>		<b>(17,984)</b>	<b>(19,893)</b>
Net increase in cash and cash equivalents		(597,240)	528,019
Cash and cash equivalents at 1 July		4,830,993	4,302,974
<b>Cash and cash equivalents at 30 June</b>	<b>6</b>	<b>4,233,753</b>	<b>4,830,993</b>

The notes on pages 14 to 19 are an integral part of these financial statements.



1 REPORTING ENTITY

Melbourne Convention Bureau Ltd (the ‘Company’) is a not-for-profit company limited by guarantee, incorporated and domiciled in Australia. The address of the Company’s registered office is level 12, IBM Centre, 60 City Road, Southbank 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

The Company early adopted AASB 1053 *Application of Tiers in Australian Accounting Standards* and AASB 2010-2 *Amendments to Australian Standards arising from Reduced Disclosure Requirements* for the financial year beginning on 1 July 2010 to prepare Tier 2 general purpose financial statements.

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 3rd September 2014.

(b) BASIS OF MEASUREMENT

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

(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 AASBs 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.

The Company receives annual grants from the State Government under 5 year funding agreements, the amounts of which are set out in note 4 of the financial statements. The current funding agreements expired effective 30 June 2014. The 2014 State Government budget committed grant funding for the Company for a further 4 year term, expiring in June 2018.

3 SIGNIFICANT ACCOUNTING POLICIES

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. Certain comparative amounts have been reclassified to conform with current year’s presentation.

(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

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.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) FINANCIAL INSTRUMENTS (continued)

(i) Non-derivative financial assets (continued)

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 has the following non-derivative financial assets: receivables.

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.

(ii) Non-derivative financial liabilities

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.

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.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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 or 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 costs

The cost of replacing a component of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The cost of the day-to-day servicing of plant and equipment is recognised in the profit or loss as incurred.

(iii) Depreciation

Items of plant and equipment are depreciated from the date that they are installed and ready for use. Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of plant and equipment. 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.

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

	2014	2013
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.



3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) PLANT AND EQUIPMENT (continued)

(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 consist of computer software. These intangible assets are deemed to have finite useful lives and are measured at cost less accumulated amortisation and accumulated impairment losses.

(ii) Amortisation

Amortisation is calculated over the cost of the asset less its residual value.

Amortisation is recognised in profit or loss on a straight line basis over the estimated useful lives of intangible assets, from the date they are available for use. The estimated useful lives for the current and comparative periods are as follows:

	2014	2013
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.

(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.

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.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. 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.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) EMPLOYEE BENEFITS (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 government bonds that have maturity dates approximating the terms of the Company’s obligations.

(iii) Short term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and 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.

(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. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Company the right to control the use of the underlying asset.

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 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.



3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) NEW STANDARDS AND INTERPRETATIONS

(i) Change in accounting policies

The Company has adopted the following new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of 1 July 2013.

Presentation of transactions recognised in the other comprehensive income

The Company applied amendments to AASB 101 Presentation of Financial Statements outlined in AASB 2011-9 Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income. The change in accounting policy only relates to disclosures and has had no impact on net income. The changes have been applied retrospectively and require the Company to separately present those items of other comprehensive income that may be reclassified to profit or loss in the future from those that will never be reclassified to profit or loss. These changes are included in the statement of profit or loss and other comprehensive income where necessary.

Employee benefits

In the current year, the Company adopted AASB 119 Employee benefits (2011), which revised the definition of short-term employee benefits to benefits that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. As a result of the change, the annual leave liability for certain of the Company’s employees is now considered to be an other long-term employee benefit, when previously it was a short-term benefit. The Company’s obligation is determined as the amount of future benefit that employees have earned in return for their service in the current and prior periods, applying actuarial assumptions, discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

The Company has applied the new policy retrospectively in accordance with the transitional provision of the standard. The impact on the comparative figures and opening statement of financial position of the earliest comparative period presented (1 July 2013) is not material.

(ii) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2013, and have not been applied in preparing these financial statements. Those which may be relevant to the Company are set out below. The Company does not plan to adopt these standards early.

AASB 9 (2009) introduces new requirements for the classification and measurement of financial assets. Under AASB 9 (2009), financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. AASB 9 (2010) introduces additional changes relating to financial liabilities. The IASB currently has an active project to make limited amendments to the classification and measurement requirements of AASB 9 and add new requirements to address the impairment of financial assets.

AASB 9 (2013) introduces new requirements for hedge accounting.

AASB 9 is effective for annual periods beginning on or after 1 January 2017. The effective date is subject to review pending the finalisation of the outstanding phases of the standard. However, early adoption is permitted.

The adoption of this standard is not expected to have a material impact on the Company’s financial assets and financial liabilities.

4 REVENUE

	2014	2013
	\$	\$
State Government funding – MCET <sup>1</sup>	6,047,563	6,002,500
State Government funding – DSDBI <sup>2</sup>	1,600,000	1,600,000
City of Melbourne funding	410,000	1,180,000
Industry co-operative revenue	1,451,632	1,566,807
Member revenue	1,020,986	930,285
Advertising sales revenue	267,876	307,245
In-kind co-operative revenue	416,459	642,458
	11,214,516	12,229,295

<sup>1</sup> MCET – Melbourne Convention and Exhibition Trust

<sup>2</sup> DSDBI – Department of State Development, Business and Innovation

5 FINANCE INCOME AND FINANCE COSTS

	2014	2013
	\$	\$
Interest income on bank deposits	98,729	121,534
Finance income	98,729	121,534
Interest expense on financial liabilities	(6,030)	(6,344)
Finance costs	(6,030)	(6,344)
Net finance income	92,699	115,190

6 CASH AND CASH EQUIVALENTS

	2014	2013
	\$	\$
Bank balances	4,229,287	4,827,246
Cash on hand	4,466	3,747
Cash and cash equivalents in the statement of cash flows	4,233,753	4,830,993

7 TRADE AND OTHER RECEIVABLES

	2014	2013
	\$	\$
Trade receivables	97,351	76,778
Other receivables and prepayments	125,782	258,815
	223,133	335,593



7 TRADE AND OTHER RECEIVABLES (CONTINUED)

Impairment losses

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

	2014 \$	2013 \$
Balance at 1 July	13,650	3,866
Impairment loss (derecognised)/recognised	18,142	9,784
<b>Balance at 30 June</b>	<b>31,792</b>	<b>13,650</b>

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.

8 PLANT AND EQUIPMENT

	Leasehold Improvements \$	Plant and Equipment \$	Leased Plant \$	Total \$
<b>Cost</b>				
Balance at 1 July 2012	422,752	511,718	96,122	1,030,592
Acquisitions	9,960	73,196	81,312	164,468
Disposals/transfers	-	-	(96,122)	(96,122)
<b>Balance at 30 June 2013</b>	<b>432,712</b>	<b>584,914</b>	<b>81,312</b>	<b>1,098,938</b>
Balance at 1 July 2013	432,712	584,914	81,312	1,098,938
Acquisitions		3,668	-	3,668
Disposals/transfers	-	-	-	-
<b>Balance at 30 June 2014</b>	<b>432,712</b>	<b>588,582</b>	<b>81,312</b>	<b>1,102,606</b>
<b>Depreciation and amortisation</b>				
Balance at 1 July 2012	178,857	438,723	68,886	686,466
Depreciation	70,166	54,977	21,934	147,077
Disposals	-	-	(88,109)	(88,109)
<b>Balance at 30 June 2013</b>	<b>249,023</b>	<b>493,700</b>	<b>2,711</b>	<b>745,434</b>
Balance at 1 July 2013	249,023	493,700	2,711	745,434
Depreciation	72,959	43,681	13,597	130,237
Disposals	-	-	-	-
<b>Balance at 30 June 2014</b>	<b>321,982</b>	<b>537,381</b>	<b>16,308</b>	<b>875,671</b>
<b>Carrying amounts</b>				
At 1 July 2012	243,895	72,995	27,236	344,126
<b>At 30 June 2013</b>	<b>183,689</b>	<b>91,214</b>	<b>78,601</b>	<b>353,504</b>
At 1 July 2013	183,689	91,214	78,601	353,504
<b>At 30 June 2014</b>	<b>110,730</b>	<b>51,201</b>	<b>65,004</b>	<b>226,935</b>

9 INTANGIBLE ASSETS

	Computer Software \$	Under Construction \$	Total \$
<b>Cost</b>			
Balance at 1 July 2012	78,473	-	78,473
Acquisitions	30,246	56,841	87,087
Disposals	-	-	-
<b>Balance at 30 June 2013</b>	<b>108,719</b>	<b>56,841</b>	<b>165,560</b>
Balance at 1 July 2013	108,719	56,841	165,560
Acquisitions	331,512	-	331,512
Disposals	-	(21,774)	(21,774)
<b>Balance at 30 June 2014</b>	<b>440,231</b>	<b>35,067</b>	<b>475,298</b>
<b>Depreciation and amortisation</b>			
Balance at 1 July 2012	75,185	-	75,185
Amortisation	7,402	-	7,402
Disposals	-	-	-
<b>Balance at 30 June 2013</b>	<b>82,587</b>	<b>-</b>	<b>82,587</b>
Balance at 1 July 2013	82,587	-	82,587
Amortisation	62,224	-	62,224
Disposals	-	-	-
<b>Balance at 30 June 2014</b>	<b>144,811</b>	<b>-</b>	<b>144,811</b>
<b>Carrying amounts</b>			
At 1 July 2012	3,288	-	3,288
<b>At 30 June 2013</b>	<b>26,132</b>	<b>56,841</b>	<b>82,973</b>
At 1 July 2013	26,132	56,841	82,973
<b>At 30 June 2014</b>	<b>295,420</b>	<b>35,067</b>	<b>330,487</b>

10 TRADE AND OTHER PAYABLES

	2014	2013
<b>Trade payables</b>		
Trade payables	96,819	443,708
Income in advance	30,297	368,949
Other payables and accrued expenses	513,286	436,941
City Wide Support Package expenditure commitment	1,984,590	1,939,506
	<b>2,624,992</b>	<b>3,189,104</b>



11 BORROWINGS

	2014	2013
	\$	\$
<b>Current liabilities</b>		
Current portion of finance lease liabilities	15,922	15,534
	<b>15,922</b>	<b>15,534</b>
<b>Non-current liabilities</b>		
Finance lease liabilities	47,305	63,227
	<b>47,305</b>	<b>63,227</b>
	<b>63,227</b>	<b>78,761</b>

**Finance lease liabilities**  
Finance lease liabilities of the Company are payable as follows:

	Future minimum lease payments	Future minimum lease payments
	2014	2013
	\$	\$
Less than one year	15,922	15,534
Between one and five years	47,305	63,227
More than five years	-	-
	<b>63,227</b>	<b>78,761</b>

12 EMPLOYEE BENEFITS

	2014	2013
	\$	\$
<b>Current</b>		
Liability for annual leave	223,649	250,249
Liability for long service leave	117,327	118,155
Accrued superannuation	68,383	41,325
Employee bonus liability	182,052	206,947
	<b>591,411</b>	<b>616,676</b>
<b>Non-current</b>		
Liability for long service leave	46,315	63,960
	46,315	63,960
	<b>637,726</b>	<b>680,636</b>

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

**Defined contribution superannuation plans**

The Company has paid contributions of \$351,323 to defined contribution superannuation plans on behalf of employees for the year ended 30 June 2014 (2013: \$314,914).

13 PROVISIONS

	Lease Incentive	Leasehold Make Good	TOTAL
	\$	\$	\$
Balance at 1 July 2013	63,168	119,334	182,502
Provisions made during the period	-	-	-
Provisions used during the period	(24,995)	-	(24,995)
Provisions reversed during the period	-	-	-
Unwind of discount	-	3,580	3,580
<b>Balance at 30 June 2014</b>	<b>38,173</b>	<b>122,914</b>	<b>161,087</b>
Current	25,348	-	25,348
Non-current	12,825	122,914	135,739
	<b>38,173</b>	<b>122,914</b>	<b>161,087</b>

**Leasehold Make Good**  
A provision of \$122,914 is recorded at 30 June 2014 in respect of the company’s obligation to make good its IBM Centre leasehold premises upon completion of the current lease on 30 December 2015. 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.

**Lease Incentive**  
A provision for lease incentives is recognised in accordance with note 3(j).

14 OPERATING LEASES

**Leases as lessee**  
Non-cancellable operating lease rentals are payable as follows:

	2014	2013
	\$	\$
Less than one year	347,301	343,555
Between one and five years	175,580	522,881
More than five years	-	-
	<b>522,881</b>	<b>866,436</b>

The Company leases office premises in Southbank, Melbourne on commercial terms; this lease expires in December 2015. Lease payments are increased by 4% each year.

During the year \$245,644 was recognised as an expense in profit or loss in respect of operating leases (2013: \$242,589).

15 CONTINGENT LIABILITIES

**Expenditure commitments**  
The Company has commitments of \$1,636,988 (2013: \$2,979,089) for collateral and services delivery for fifty eight (2013 sixty nine) events taking place in the next eight (2013: seven) 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 \$1,277,683 for the year ended 30 June 2014 (2013: \$1,284,957). Key management personnel compensation includes the payment of Director’s Fees to Christopher Barlow of \$39,987 (2013: \$39,900).

(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:

			Transaction value year ended 30 June		Balance outstanding as at 30 June	
		Note	2014 \$	2013 \$	2014 \$	2013 \$
Key Management person related parties	Transaction					
Mr. P King – Melbourne Convention and Exhibition Trust	Revenue - state government funding	(i)	6,047,563	6,002,500	-	-
	Revenue – member, advertising, sales and marketing		150,199	336,360	3,384	9,078
	Expenditure – sales and marketing		41,038	243,815	-	2,054
Dr. K. Alexander - City of Melbourne	Revenue – City of Melbourne funding	(ii)	410,000	1,180,000	-	-
	Revenue – sales and marketing		20,060	29,127	-	-
	Expenditure – sales and marketing		-	2,131	-	-
Ms. K. Brennan – Federation Square	Revenue – member and marketing	(iii)	7,468	6,650	-	-
	Expenditure – sales and marketing		-	-	-	-
Mr. P. Crinis – Crown Melbourne Limited	Revenue – member and advertising sales	(iv)	185,683	190,032	22,339	3,700
	Expenditure – sales and marketing		88,65	172,110	-	406
Mr. J. Clark – The Lancemore Group	Revenue - member and advertising sales	(v)	1,427	1,318	-	-
	Expenditure – sales and marketing		-	-	-	-
Mr. D. Washington - Australian Hotels Association	Revenue – member sales	(vi)	1,427	1,318	-	-
	Expenditure – sales and marketing		-	-	-	-
Mr. C. Woodruff - Australian Pacific Airports Corporation	Revenue – member sales	(vii)	20,455	19,682	2,643	-
Ms J. Langdon – Ernst & Young	Expenditure	(viii)	-	40,000	-	-

16.RELATED PARTIES (CONTINUED)

(b) Key management personnel transactions (continued)

- (i) The Company established a five year contract commencing 1 July 2009 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 Peter King is the Chief Executive of MCET. The total contract value is \$28,500,000. In addition the Company has paid MCET for sales and marketing activities.
- (ii) The Company established a five year and ten month contract commencing 30 September 2008 with City of Melbourne for the provision of funding to the Company for marketing of the Melbourne Convention and Exhibition Centre. Dr. K. Alexander is the Chief Executive Officer of the City of Melbourne. The total contract value is \$5,425,000, payable on a quarterly basis for the duration of the contract. In addition the Company secured additional funding in support of specific international convention bids during the 12 months ended 30 June 2014
- (iii) Federation Square pays the standard membership fee. Ms K. Brennan was the Chief Executive Officer of Federation Square.
- (iv) Crown Limited pays the standard membership fee for strategic partner. Mr P Crinis is Chief Operating Officer – Hotels and Food & Beverage for Crown Melbourne Limited. In addition the Company has paid Crown Limited for sales and marketing activities.
- (v) The Lancemore Group pays the standard membership fee. Mr. J Clark is CEO of The Lancemore Group. In addition the Company has paid The Lancemore Group for sales and marketing activities.
- (vi) Australian Hotels Association pays the standard membership fee. Mr D Washington is General Manager – Tourism Accommodation Australia (Vic) and AHA (VIC) Accommodation Division.
- (vii) Australian Pacific Airports Corporation pays the standard membership fee for major partners. Mr. C. Woodruff is the Chief Executive Officer and Managing Director of Australian Pacific Airports Corporation.
- (viii) During 2012/13, the company engaged Dr D Cochrane, a partner of Ernst & Young, as a consultant to assist in developing a strategic business case. The total consulting fee was \$40,000. Ms Julia Langdon is also a partner of Ernst & Young. There was no related party transaction with Ernst & Young during 2013/14.

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

	2014 \$	2013 \$
Current receivables		
Trade debtors	28,366	12,778
Less: Impairment loss	-	-
	28,366	12,778
Current Payables		
Trade creditors	-	2,460
Less: Impairment loss	-	-
	-	2,460

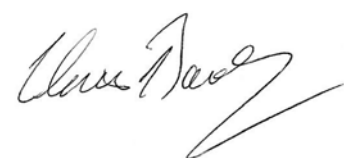


DIRECTORS' DECLARATION

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

- (a) the financial statements and notes, set out on pages XX to XX, 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 2014 and of its performance for the financial year ended on that date; and
  - (ii) complying with Australian Accounting Standards – Reduced Disclosure Regime 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 3rd day of September 2014.



Christopher Barlow  
Director



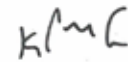
Peter King  
Director



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001  
To: the directors of Melbourne Convention Bureau Limited.

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2014 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



Tony Batsakis  
Partner

Melbourne

3 September 2014



**Independent auditor's report to the members of Melbourne Convention Bureau Limited**

**Report on the financial report**

We have audited the accompanying financial report of Melbourne Convention Bureau Limited (the Company), which comprises the statement of financial position as at 30 June 2014, the statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, notes 1 to 16 comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

*Directors' responsibility for the financial report*

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

*Auditor's responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting Standards – Reduced Disclosure Requirements, a true and fair view which is consistent with our understanding of the Company's financial position and of its performance.

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



**Independent auditor's report to the members of Melbourne Convention Bureau Limited (continued)**

*Independence*

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

*Auditor's opinion*

In our opinion the financial report of Melbourne Convention Bureau Limited is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Regulations 2001.

KPMG

KPMG

Tony Batsakis  
Partner

Melbourne

3 September 2014



