

ANNUAL REPORT 2019/20

MELBOURNE
CONVENTION
BUREAU





MELBOURNE
Convention
Bureau



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FOREWORD



MINISTER'S FOREWORD



The effects of bushfire and global pandemic made this a year like no other for the Melbourne Convention Bureau.

The experience of both in quick succession had a serious and unavoidable impact on the business of the MCB, which in the first six months of the period demonstrated why it is regarded as a world leader in delivering international conferences, corporate meetings and incentive travel programs.

As Victoria's lead agency in acquiring and delivering business events, the MCB has been an important contributor to our economy and will be a key player in our recovery on the other side of the pandemic.

While events were put on hold, the MCB was busy laying the foundations for the future. More than 140 events were secured for the coming five years, events which are anticipated to attract almost 50,000 delegates and contribute more than \$230 million to the economy.

The Victorian Government recognises the widespread benefits that this allows.

The travels of conference delegates in regional Victoria provides a significant boost to many local economies. Every corporate meeting and incentive travel group program in 2019/2020 included a visit to regional Victoria, and 40 per cent of international delegates visited regional Victoria as part of pre- and post-conference touring options.

One stand-out was the 2019 International Convention of Jehovah's Witnesses, which attracted 50,000 delegates to Melbourne. The event's pre-convention touring program saw one-quarter of attendees visit some of the state's most popular regional attractions.

It's an example of the benefits that the sector produces for all Victorians and it's why we look forward to again welcoming business-event visitors to the state when it is safe to do so.

Hon Martin Pakula MP

Minister for Tourism, Sport and Major Events



CHAIRMAN'S FOREWORD



In the 2019/20 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.

It was an active year for MCB, winning 74% of all bid opportunities across international and domestic markets. 145 business events were won for Victoria, with a forecasted economic contribution of \$234.3 million and 48,500 future delegates expected to come to the state over the coming years. This is good news for all our partners, the city and the state.

This strong pipeline of business events for Melbourne through to 2025 has been secured in a year challenged by unprecedented events, with competition to secure business events for Melbourne now stronger than ever as a result of the COVID-19 pandemic and uncertainty surrounding the resumption of international travel.

Commencing my position as MCB Chair in March 2020 right as the pandemic was unfolding across not only our city, our country, but globally, I am proud of Julia Swanson and the MCB team in rising to this challenge which saw the full shut down of the business events sector.

MCB implemented a number of strategies to ensure that efforts were focussed on winning business that delivered the most benefit back to stakeholders, while working harder than ever to support our partners, and working closely with clients to reschedule business events, originally planned for this year, rather than cancel.

The MCB team is passionate and committed and these financial results are a reflection of this; demonstrating to its partners, stakeholders and industry that MCB is a strong, experienced organisation delivering a valuable contribution to Victoria's tourism and wider economy and will play an essential role in the rebound and recovery of the business events sector in the wake of the COVID-19 pandemic.

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

I would also like to acknowledge outgoing MCB Chair Chris Barlow and thank him for his contribution and service to the MCB Board.



Peter Crinis
Chairman
Melbourne Convention Bureau



CEO'S FOREWORD



Shaped by the unprecedented COVID-19 pandemic, the 2019/2020 financial year evolved into a year of two halves - the time pre-COVID-19 and the months after its onset, with all business events scheduled from March 2020 cancelled or postponed due to the coronavirus pandemic.

Despite the disruptive effects of the pandemic, the Melbourne Convention Bureau (MCB) drove significant impact to Victoria and the business events sector, securing \$234.3 million to the economy. This achievement demonstrates the ongoing commitment and passion of the MCB team to impactful outcomes that drive the visitor economy.

What has defined the business events industry in Victoria has been the inspiring way it has reacted to the challenges presented. As one of the first industries to feel the full effects of travel restrictions and mass gathering bans, helping our partners and clients navigate the challenges presented by this situation remained MCB's top priority. Responding quickly to changing market conditions, MCB worked closely with clients to reschedule planned events to next year and beyond, and embarked on significant digital transformation to support the sector plan future events in Melbourne with confidence.

Our 2019/20 Strategic Business Plan has been guiding MCB forward this year in terms of enhancing our profile and business opportunities, engaging stakeholders, focussing on our long term financial sustainability and solidifying the significant value that MCB contributes to the economy, the business events industry, and community.

This is most evident through the 145 business events secured, including prestigious global meetings, which will deliver increased sales leads and business opportunities for our partners.

International Association events are the most lucrative and we secured 36 of these, which will contribute 71 per cent of our economic contribution for the year.

Victoria's reputation as a knowledge and innovation hub also continued to dominate. MCB successfully leveraged Melbourne's medical and health infrastructure and research assets to secure 15 events in this field. Conferences in the health and medical sectors made up 42 per cent of conferences secured by MCB this financial year, contributing 52 per cent of all international association delegates and injecting \$78.9 million into the economy.

Our incentive business, driven by both core and emerging markets was buoyed by the 72 incentive rewards programs held across the year, despite the disruptive effects of the pandemic on group travel.

MCB's success is underpinned by the support of the Victorian Government, Visit Victoria, City of Melbourne, Melbourne Convention and Exhibition Centre and our MCB partners culminating in an effective 'Team Melbourne' approach to move to the next phase of recovery and rebound.

I would like to acknowledge MCB's former Chairman Chris Barlow, who after over 12 years announced his departure from the MCB Board. Chris played a pivotal role in stewarding us through significant change at MCB with the successful transition and integration of MCB into Visit Victoria.

I would also like to welcome Peter Crinis as MCB's new Chair and thank him for his support in navigating us through what can only be described as an eventful year filled with uncertainty.

As we look to the year ahead, MCB will play a pivotal role on the road to recovery and growth for the business events sector delivering new business to the state creating trade, investment and commerce opportunities in a COVID normal world.

A stylized, handwritten signature in dark ink.

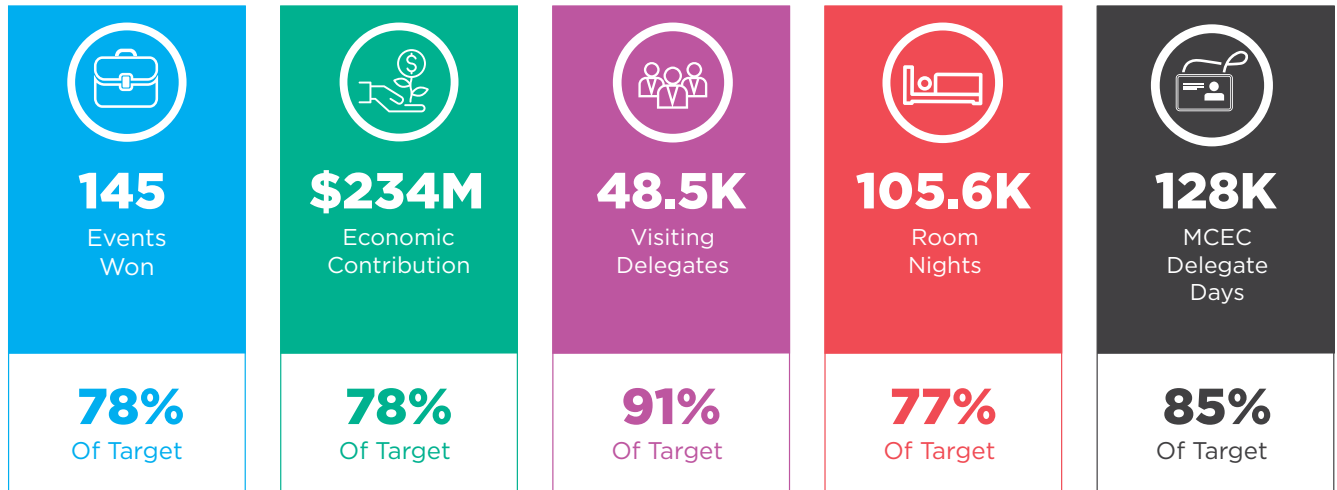
Julia Swanson
Chief Executive Officer
Melbourne Convention Bureau

A group of diverse people are seated at a long table in a restaurant or event space, celebrating. They are holding up glasses of champagne or sparkling wine, clinking them together. The table is elegantly decorated with large, vibrant red and pink floral centerpieces. The background shows a staircase with a dark railing and large windows with a decorative pattern. A large teal triangle is overlaid on the left side of the image, containing the text.

**GREAT
RESULTS
FOUND
HERE**

OVERALL RESULTS SNAPSHOT 2019/2020

MCB delivered solid overall results for the 2019-2020 financial year ensuring a strong pipeline of business events for Melbourne through to 2025, in a year challenged by unprecedented events. Targets were impacted in proportion with the onset of the COVID-19 pandemic and the disruptive effects of international travel and mass gathering restrictions, together with the temporary closure of the Melbourne Convention and Exhibition Centre from March 2020.



MAJOR EVENT WINS 2019/2020

World Scholar's Cup Global Round 2022



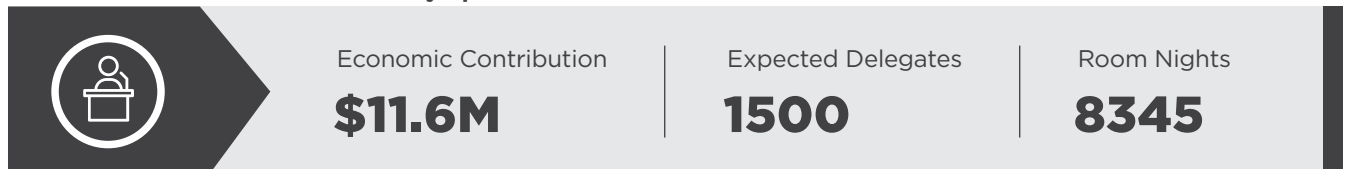
Annual Meeting of the Asia Oceania Geosciences Society 2022



CODA 2022



66th International Mathematical Olympiad - IMO



International Alliance of Academies of Childhood Disability Conference



Note., Events confirmed at time of publishing. Event year subject to change.



DIRECTORS' AND FINANCIAL REPORT



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Melbourne Convention Bureau Ltd

A.B.N. 62 072 324 933

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2020

The Directors present their report together with the financial report of Melbourne Convention Bureau Ltd (the "Company"), for the financial year ended 30 June 2020 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
Christopher Barlow B.Sc. (Honours) Civil Engineering Independent Non-Executive Director	Appointed 27 November 2001, resigned 28 February 2020 Appointed Chair 28 November 2007 Remuneration Committee member Board member of Visit Victoria (resigned on 28 February 2020). 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.
Peter Crinis Independent Non- Executive Director	Appointed 1 March 2020 Appointed Chair 1 March 2020 Board member of Visit Victoria. Chief Operating Officer Crown Hotels and Food & Beverage. Board member of Tourism Accommodation Australia. Director of the Children's Cancer Foundation.
Ben Sington Independent Non-Executive Director	Appointed 5 September 2018, resigned 19 February 2020 Audit & Risk Committee Member from September 2018 Chair - Tourism Accommodation Australia (Victoria) , Former Managing Director at The Langham Hotel Melbourne
Peter King B. of Business Independent Non-Executive Director	Appointed 31 January 2012 Deputy Chair Audit & Risk Committee Member from February 2012 Chief Executive - Melbourne Convention and Exhibition Centre. Board member Business Events Council of Australia (BECA), Board member of International Association of Conference Centres, (AIPC). Australian Sports Museum, Board Member 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 and Risk Committee Chair from May 2013 Partner, Advisory - Ernst & Young. Specific experience in risk management.

Melbourne Convention Bureau Ltd

A.B.N. 62 072 324 933

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2020

1. DIRECTORS (CONTINUED)

Name, Qualifications and Independence Status	Experience, special responsibilities and other directorships
Peter Bingeman B.Com (Economics) & B.Arts (Philosophy) Independent Non-Executive Director	Appointed 18 August 2016, resigned 17 December 2019 Former 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 B. Business, M. Business Independent Non-Executive Director	Appointed 16 August 2017 Vice President of Operations Accor, Victoria, Tasmania, South Australia and Western Australia, Vice President Integration - Pacific Accor, Chairman of Accommodation Association of Australia Victorian Advisory Board, Member of the Accommodation Advisory Panel for Victorian Tourism Industry Council
Brendan McClements BA Independent Non-Executive Director	Appointed 3 February 2020 Chief Executive Officer at Visit Victoria and former Chief Executive Officer of the Victorian Major Events Company (VMEC). Board member of Australian Tourism Data Warehouse, Member AICD

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 and Risk Committee Meetings		Remuneration Committee Meetings	
	A	B	A	B	A	B
Christopher Barlow	5	3	-	-	2	1
Peter King	7	7	6	5	-	-
Julia Langdon	7	5	6	6	-	-
Ben Sington	5	4	4	3	-	-
Peter Bingeman	4	4	-	-	-	-
Adrian Williams	7	7	-	-	-	-
Brendan McClements	3	3	-	-	-	-
Peter Crinis	2	2	-	-	-	-

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

B Number of meetings attended

* Joint Board and Audit, Finance & Risk Committee meetings

Melbourne Convention Bureau Ltd

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DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2020

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 2020 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 2020 was \$11,808,694 (2019:\$11,988,056). The result for the current year is a deficit of \$292,735 (2019 deficit: \$550,286).

COVID-19 began to have a moderate impact on Melbourne Convention Bureau's (MCB) operating revenue position in FY19/20, with a \$300k reduction of membership revenue due to a free extension of membership coverage from an original period of 12 months to 18 months. This was partially offset by Government stimulus grants of \$128k for the same period.

MCB's Business Events have seen a number of conferences postponed due to the pandemic with a smaller number of conferences cancelled. All income associated with Business Events is received from the State Government and is available for Events when the lockdown eases and conferences can resume.

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

COVID-19 will have a moderate impact on MCB's operating revenue position for FY20/21, with expected reductions in revenues across various operating revenue streams including MCB's industry partnership program and AIME (MCB's International Tradeshow). The membership and AIME income streams will be highly dependent on when and if Covid-19 restrictions are eased. Furthermore, due to the state budget being postponed because of COVID-19, MCB has not yet had confirmation of Victorian Government funding for January to June 2021. For FY2019/20 this funding was \$2M which represented 24% of operating revenue.

Whilst MCB's Business Events have been interrupted due to the pandemic, all Business Events income from the State Government remains available for Events when the environment allows conferences to resume, and will therefore not affect MCB's operating surplus.

The effect of COVID-19 has been to create a difficult economic environment and a high level of uncertainty for the business events industry. The expected impact on the results of the company is outlined in section 10 below.

Melbourne Convention Bureau Ltd

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DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2020

10. LIKELY DEVELOPMENTS

The Company's Retained Earnings has sufficient capacity to absorb any potential losses in the 20/21 financial year which, coupled with targeted reductions in operating expenditure, is expected to be less than \$300k on the basis that State Government funding is renewed at existing levels and there is some easing of restrictions on mass gatherings.

The Board is considering a potential structure change to address the impact from COVID-19 that will better support the Company's operations and 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 for 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 \$7,471 (2019: \$4,411) 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. 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 2020 the number of members was 170 (2019: 220).

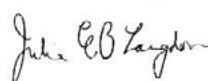
13. AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is set out on page 37 and forms part of the Directors' Report for the year ended 30 June 2020.

This report is made with a resolution of the Directors:



Peter Crinis
Chairman



Julia Langdon
Director

Dated at Melbourne this 12th day of October 2020.

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 2020

	Note	2020 \$	2019 \$
Operating revenue	4	11,808,694	11,988,056
Grant payments		(2,699,028)	(3,917,292)
Marketing expenses		(3,542,729)	(3,189,044)
Employee benefit expenses		(4,776,082)	(4,290,784)
Administrative expenses		(1,102,096)	(1,178,773)
Loss from operating activities		(311,241)	(587,837)
Net finance income	5	18,506	37,551
Net loss for the year		(292,735)	(550,286)
Total comprehensive loss for the year		(292,735)	(550,286)

The notes on pages 20 to 35 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 2020

	Note	2020 \$	2019 \$
Assets			
Cash and cash equivalents	6	5,265,589	4,458,025
Trade and other receivables	7	953,160	1,035,218
Total current assets		6,218,749	5,493,243
Plant and equipment	8	-	1,213
Total non-current assets		-	1,213
Total assets		6,218,749	5,494,456
Liabilities			
Trade and other payables	9	4,018,502	1,632,866
Employee benefits	10	354,919	343,560
Total current liabilities		4,373,421	1,976,426
Employee benefits	10	58,900	45,915
Total non-current liabilities		58,900	45,915
Total liabilities		4,432,321	2,022,341
Net assets		1,786,428	3,472,115
Equity			
Retained earnings		1,786,428	3,472,115
Total equity		1,786,428	3,472,115

The notes on pages 20 to 35 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 2020

	2020 \$	2019 \$
Retained earnings		
Opening balance at 1 July	3,472,115	4,022,401
Restatement due to adoption of AASB 15 and AASB 1058	(1,392,952)	-
Balance at 1 July restated	2,079,163	4,022,401
(Loss) for the year	(292,735)	(550,286)
Closing balance at 30 June	1,786,428	3,472,115

The Company has initially applied AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income of Not for Profit Entities* using the cumulative effect method and has not restated comparatives. The comparatives were prepared using AASB 118 *Revenue* and AASB 1004 *Contributions* and related interpretations. Further information is disclosed in Note 2 to the financial statements.

The notes on pages 20 to 35 are an integral part of these financial statements.

Melbourne Convention Bureau Ltd

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STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
Cash flows from operating activities			
Cash received from customers and funding bodies		13,523,592	13,303,430
Cash paid to suppliers and employees		(12,073,934)	(13,121,008)
Interest received		18,506	38,235
Interest paid		-	(684)
Net GST paid to ATO		(660,600)	(694,932)
Net cash provided by operating activities	6	807,564	(474,959)
Net increase in cash and cash equivalents		807,564	(474,959)
Cash and cash equivalents at 1 July		4,458,025	4,932,984
Cash and cash equivalents at 30 June	6	5,265,589	4,458,025

The notes on pages 20 to 35 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 YEAR ENDED 30 JUNE 2020

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 2020. The address of the Company's registered office and principal place of business 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.

1. 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 12 October 2020. Details of the Company's accounting policies, including changes during the year, are included in note 2 and 3.

(b) BASIS OF MEASUREMENT

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

(c) FUNCTIONAL AND PRESENTATION CURRENCY

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

(d) USE OF ESTIMATES AND JUDGEMENT

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

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

(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.

2. CHANGE IN ACCOUNTING POLICIES

Revenue from Contracts with Customers - Adoption of AASB 15

The Company has adopted AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income of Not-for Profit Entities* for the first time in the current year with a date of initial application of 1 July, 2019.

The Company has applied AASB 15 and AASB 1058 using the cumulative effect method which means the comparative information has not been restated and continues to be reported under AASB 118 *Revenue* and AASB 1004 *Contributions* and related interpretations. All adjustments on adoption of AASB 15 and AASB 1058 have been taken to retained earnings at 1 July, 2019.

The key changes to the Company's accounting policies from applying AASB 15 and AASB 1058 are described below.

Melbourne Convention Bureau Ltd

A.B.N. 62 072 324 933

NOTES TO THE FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2020

2. CHANGE IN ACCOUNTING POLICIES (CONTINUED)

State Government funding DJPR

Under AASB 1004, grant income was recognised as revenue on receipt. Under AASB 1058 and AASB 15, where an agreement is enforceable and contains sufficiently specific performance obligations, the revenue is either recognised over time as the work is performed or recognised at the point in time that the control of the services pass to the customer.

Having reviewed the terms and conditions of grants received by the Company, some of them are within the scope of AASB 1058 and others within AASB 15 which has resulted in deferral of revenue for these monies.

Principal vs Agent

Prior to the adoption of AASB15, the Company assessed there was a principal in transactions where another party was involved in providing the services particularly where monies were received with the intention of passing them through to another entity. Under AASB 15, the indicators of a principal have changed and there are now a number of performance obligations within grant agreements where the Company is acting as Agent. The result is the Company, in respect of the Business Event Fund can no longer recognise excesses of grant receipts over grant payments in retained earnings but rather as liabilities in the statement of financial position as the Company has no claim to surpluses arising from certain grant agreements.

Change to retained earnings

The Company has applied the cumulative effect method on initial adoption of AASB 15 and AASB 1058. As a result comparative information in these accounts has not been restated. The Company instead elected to quantify the financial impact of this change in accounting policy and adjust retained earnings directly. The initial application of AASB 15 and AASB 1058 resulted in a reduction to retained earnings of \$1,392,952 which is presented as an adjustment to opening retained earnings in the statement of changes in equity in the FY 19/20 financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

Except for any changes noted in 3(m), 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.

Melbourne Convention Bureau Ltd

A.B.N. 62 072 324 933

NOTES TO THE FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) FINANCIAL INSTRUMENTS

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

The Company initially recognises receivables and deposits on the date when they 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 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.

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

The Company initially recognises debt securities issued and subordinated liabilities on the date they 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, 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 trade and other payables.

Melbourne Convention Bureau Ltd

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NOTES TO THE FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

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

	2020	2019
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) LEASED ASSETS

Under AASB 16, there is no differentiation between finance and operating leases for the lessee and therefore all leases which meet the definition of a lease are recognised on the statement of financial position (except for short-term leases and leases of low value assets). The Company has elected to use the exception to lease accounting for short-term leases and leases of low value assets, and the lease expense relating to these leases are recognised in the statement of profit or loss on a straight-line basis.

There are no leases 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 YEAR ENDED 30 JUNE 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) 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 and indications that a debtor will enter bankruptcy.

(ii) 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 usually 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. Due to the impact of Covid-19 an individual assessment was made of each debtor in FY 19/20.

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.

(iii) 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.

Melbourne Convention Bureau Ltd

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NOTES TO THE FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) EMPLOYEE BENEFITS

(i) Defined contribution superannuation funds

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

(ii) Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on-costs. That benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on government 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 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.

(g) 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 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 in profit and loss.

(h) REVENUE

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties. The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities as described below. Revenue is recognised for the major business activities as follows:

(i) Government funding

Grants made by the State Government are recognised as revenue when the Company receives the contribution, or where conditions are attached to the grants and when those 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 services are performed by the Company.

(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.

Melbourne Convention Bureau Ltd

A.B.N. 62 072 324 933

NOTES TO THE FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) LEASE PAYMENTS

No leases payment are recognised in profit or loss after adoption of AASB 16.

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

Determining whether an arrangement contains a lease

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

At inception or upon reassessment of the arrangement, the Company separates payments and other considerations 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 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.

(j) 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 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.

(k) INCOME TAX

No income tax expense is charged and no income tax is payable by the Company as the Australian Taxation Office granted the Company an exemption from income tax under section 8.1 of section 50-40 of the *Income Tax Assessment Act 1997*. The Company reviews its income tax exemption status annually.

(l) 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 Australian Taxation Office (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.

(m) NEW STANDARDS AND INTERPRETATIONS

(i) Change in accounting policies

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

As disclosed in Note 2, the Company has applied AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for Profit Entities and AASB 16 Leases for the first time in the current year with a date of initial application of 1 July, 2019, using the cumulative effect method,

Melbourne Convention Bureau Ltd

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NOTES TO THE FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

As a result:

a) All adjustments on adoption of AASB 15 and AASB 1058 have been taken to retained earnings at 1 July, 2019.

b) No Right of Use Asset and Lease Liability were recognised as the company has no long term or material lease agreement existing.

For other loans and receivables, the Company applies the AASB 9 Financial Instruments simplified approach to measure expected credit losses (ECL) based on the change in the ECL's over the life of the asset. Application of the lifetime ECL allowance method did not result in a change in the impairment loss allowance of \$197,315. Refer to note 3(e)(ii) for details about the calculation of the allowance.

(ii) New standards and interpretations not yet adopted

Certain new and revised accounting standards have been issued but are not effective for the 2019-20 reporting period. These accounting standards have not been applied to the Company's Financial Statements. The Company is reviewing its existing policies and assessing the potential implications of these accounting standards which include:

AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material

This Standard principally amends AASB 101 *Presentation of Financial Statements and AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors*. It applies to reporting periods beginning on or after 1 January 2020 with earlier application permitted. The Company has not earlier adopted the Standard.

AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non- Current

This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. It initially applied to annual reporting periods beginning on or after 1 January 2022 with earlier application permitted however the AASB has recently issued ED 301 *Classification of Liabilities as Current or Non-Current – Deferral of Effective Date* with the intention to defer the application by 1 year to periods beginning on or after 1 January 2023. The Company will not early adopt the Standard.

Melbourne Convention Bureau Ltd

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NOTES TO THE FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2020

4. REVENUE

	2020 \$	2019 \$
Operating revenue		
State Government funding – MCET ¹	1,800,500	1,772,143
State Government funding – DJPR ²	6,446,710	7,651,004
City of Melbourne funding	509,376	500,000
Industry co-operative revenue	948,279	807,240
Member revenue	650,578	1,054,681
Advertising sales revenue	995,875	85,010
Other miscellaneous Income	373,776	34,848
In-kind co-operative revenue	83,600	83,130
	11,808,694	11,988,056

¹ MCET – Melbourne Convention and Exhibition Trust

² DJPR – Department of Jobs, Precincts and Regions

5. FINANCE INCOME AND FINANCE COSTS

	2020 \$	2019 \$
Finance income		
Interest income on bank deposits	18,506	38,235
Finance costs		
Interest expense	-	(684)
Net finance income	18,506	37,551

Melbourne Convention Bureau Ltd

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NOTES TO THE FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2020

6. CASH AND CASH EQUIVALENTS

	2020 \$	2019 \$
Bank balances	5,265,589	4,458,025

Reconciliation from net operating profit /(loss) to net operating cashflow

	2020 \$	2019 \$
(Loss) for the year	(292,735)	(550,286)
Adjustments for:		
Bad debts provision	197,315	
Depreciation, amortisation and impairment	1,213	3,494
	(94,207)	(546,792)
(Increase)/decrease in trade and other receivables	123,271	(17,391)
(Increase) in other assets	(238,528)	(676,902)
Increase in trade and other payables	992,684	932,419
(Decrease)/increase in employee benefits	24,344	(166,293)
Net cash provided by operating activities	807,564	(474,959)

Melbourne Convention Bureau Ltd

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NOTES TO THE FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2020

7. TRADE AND OTHER RECEIVABLES

	2020 \$	2019 \$
Trade receivables	760,112	360,425
Provision for impairment	(197,315)	(5,407)
Other receivables	390,363	680,200
	953,160	1,035,218

IMPAIRMENT LOSSES

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

	2020 \$	2019 \$
Balance at 1 July	5,407	9,117
Impairment loss (derecognised)	191,908	(3,710)
Balance at 30 June	197,315	5,407

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.

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NOTES TO THE FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2020

8. PLANT AND EQUIPMENT

	Plant and Equipment	Leased Plant	Total
	\$	\$	\$
Cost			
Balance at 1 July 2018	58,131	81,312	139,443
Balance at 30 June 2019	58,131	81,312	139,443
Balance at 1 July 2019	58,131	81,312	139,443
Disposals	(58,131)	(81,312)	(139,443)
Balance at 30 June 2020	-	-	-
Depreciation and amortisation			
Balance at 1 July 2018	58,131	76,605	134,736
Depreciation	-	3,494	3,494
Balance at 30 June 2019	58,131	80,099	138,230
Balance at 1 July 2019	58,131	80,099	138,230
Depreciation	-	1,213	1,213
Disposals	(58,131)	(81,312)	(139,443)
Balance at 30 June 2020	-	-	-
Carrying amounts			
At 30 June 2019	-	1,213	1,213
At 30 June 2020	-	-	-

The Company disposed of its plant and equipment during the year for nil consideration. The plant and equipment and leased plant assets had a nil written down value at the time of disposal. Accordingly, no profit or loss was recorded on disposal of assets.

Melbourne Convention Bureau Ltd

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NOTES TO THE FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2020

9. TRADE AND OTHER PAYABLES

	2020 \$	2019 \$
Trade payables	6,854	65,778
Income in advance	2,589,180	242,964
Other payables and accrued expenses	1,422,468	1,324,124
	4,018,502	1,632,866

Income in Advance, which is the contract liability includes \$2,082,285 of grant receipts relating to Business Events for which the services will be provided in future financial periods.

10. EMPLOYEE BENEFITS

	2020 \$	2019 \$
Current		
Annual leave	208,365	128,756
Long service leave	131,562	89,602
Others	14,992	125,202
	354,919	343,560
Non-current		
Long service leave	58,900	45,915
	413,819	389,475

Other employee benefits includes a provision for staff performance achievements and other leave entitlements.

Defined benefit superannuation plans

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

Defined contribution superannuation plans

For the year ended 30 June 2020 the Company has paid contributions of \$267,481 to defined contribution superannuation plans on behalf of its employees. (2019: \$306,403).

Melbourne Convention Bureau Ltd

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NOTES TO THE FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2020

11. RELATED PARTIES

The Company is a not for profit company limited by guarantee. The members of the Company are also the ultimate owners of the Company. The related parties of the Company are considered to include:

- All key management personnel and their close family members; and their related entities of the Company
- The Company's parent entity Visit Victoria Ltd who holds a controlling 51% voting share in the Company.

All related party transactions have been entered into on an arm's length basis.

The Company have assessed key management personnel to comprise:

- Directors
- The CEO of the Company and any employees who held an executive position in the company at anytime during the year.

(a) Key management personnel compensation

Key management personnel compensation includes the payment of Director's Fees to Chairman of \$23,333 (2019: \$38,325).

	2020 \$	2019 \$
Short term employee benefit	1,053,031	1,646,956
Post employment benefits	80,901	134,055
Other long term benefits	134,246	87,655
	1,268,178	1,868,666

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 directors and entities over which they have control or significant influence were as follows:

Melbourne Convention Bureau Ltd

A.B.N. 62 072 324 933

NOTES TO THE FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2020

11. RELATED PARTIES (CONTINUED)

Directors related parties	Transaction	Note	Transaction value for the year ended 30 June		Balance outstanding as at 30 June	
			2020	2019	2020	2019
			\$	\$	\$	\$
Mr. Adrian Williams Accor Hotels	Revenue - member and advertising sales	(i)	118,445	145,044	-	-
	Expenditure - Sales and marketing		7,808	0	-	-
Victorian Tourism Industry Council	Expenditure - sales and marketing		440	0	-	-
Mr. Peter King Melbourne Convention and Exhibition Trust	Revenue - MCET funding	(ii)	1,980,550	1,772,143	-	-
	Revenue - Sales and marketing		22,682	44,928	-	-
	Expenditure - Sales and marketing		7,548	19,901	-	-
Mr. Ben Sington Mr. Peter Crinis Tourism Accommodation Australia (Victoria)	Revenue - member sales	(iii)	2,420	2,310	-	-
Mr. Peter Crinis Mr. Christopher Barlow Mr. Peter Bingeman Mr. Brendan McClements Visit Victoria	Receipts from VV	(iv)	67,747	12,000	-	-
	Expenditure - VV		1,228,089	914,184	-	-
Ms. Julia Langdon Ernst and Young	Expenditure - sales and marketing	(v)	11,000	11,000	-	-

Melbourne Convention Bureau Ltd

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NOTES TO THE FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2020

11. RELATED PARTIES (CONTINUED)

Directors related parties	Transaction	Note	Transaction value for the year ended 30 June		Balance outstanding as at 30 June	
			2020	2019	2020	2019
			\$	\$	\$	\$
Mr. Ben Sington The Langham Hotel Melbourne	Revenue - member sales		40,404	-	-	-
Mr. Peter Crinis Crown Hotel	Revenue - member and advertising sales		146,454	-	-	-
	Expenditure - sales and marketing		6,092	-	-	-

Other than compensation noted at (a) above there were no related party transactions involving executives of the Company.

- (i) The Accor Hotels (AAPC Limited) pays membership revenue of \$118,445 (2019:\$145,044).
- (ii) The Company established a three-year contract commencing 1 July 2018 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 annual contract value is \$1,980,550 (2019:\$1,772,143). In addition, the Company has paid MCET for sales and marketing activities.
- (iii) Tourism Accommodation Australia (Victoria) pays the standard membership fee. Mr Ben Sington, Chair and Mr Peter Crinis, Board member - Tourism Accommodation Australia (Victoria).
- (iv) Visit Victoria(VV) provide funding to the Company for the purpose of the economic development of Victoria on behalf of VV. Mr Chris Barlow is the former board member of VV and Mr Peter Bingeman is the former Chief Executive Officer of VV. Mr Peter Crinis is a board member of VV and Mr Brendan McClements is the Chief Executive Officer of VV. The total annual revenue value is \$67,747 (2019: \$12,000). The total annual expense value is \$1,228,089 (2019:\$914,184)
- (v) Ms Julia Langdon is a partner of Ernst and Young.

There are no amounts receivable from or payable to other related parties at reporting date arising from these transactions.

Melbourne Convention Bureau Ltd

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DIRECTORS DECLARATION

FOR YEAR ENDED 30 JUNE 2020

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

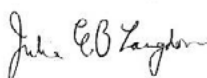
- (a) the Company is not publicly accountable;
- (b) the financial statements and notes, set out on pages 16 to 35, are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Company’s financial position as at 30 June 2020 and of its performance for the financial 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:

Dated at Melbourne this 12th day of October 2020.



Peter Crinis
Chairman



Julia Langdon
Director

Auditor-General's Independence Declaration

To the Directors, the Melbourne Convention Bureau Ltd

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 the Melbourne Convention Bureau Ltd for the year ended 30 June 2020, 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
20 October 2020



Simone Bohan
as delegate for the Auditor-General of Victoria

Independent Auditor's Report

To the Directors of Melbourne Convention Bureau Ltd

Opinion	<p>I have audited the financial report of Melbourne Convention Bureau Ltd (the company) which comprises the:</p> <ul style="list-style-type: none"> • statement of financial position as at 30 June 2020 • 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 2020 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 confirm that the independence declaration required by the <i>Corporations Act 2001</i>, which has been given to the Directors of the company, would be in the same terms if given to the Directors as at the time of this auditor's report.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>

Other information	<p>The Directors of the company are responsible for the Other Information, which comprises the information in the company's annual report for the year ended 30 June 2020 but does not include the financial report and my auditor's report thereon.</p> <p>My opinion on the financial report does not cover the Other Information and accordingly, I do not express any form of assurance conclusion on the Other Information. However, in connection with my audit of the financial report, my responsibility is to read the Other Information and in doing so, consider whether it is materially inconsistent with the financial report or the knowledge I obtained during the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude there is a material misstatement of the Other Information, I am required to report that fact. I have nothing to report in this regard.</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	<p>As required by the <i>Audit Act 1994</i>, 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.</p> <p>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:</p> <ul style="list-style-type: none"> • 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
20 October 2020

CONTACT

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