



Annual Report

2013 - 2014





Introduction

Mackay Tourism Ltd. (MTL) is a Queensland Regional Tourism Organisation (RTO). MTL exists to market the Mackay and Isaac regions externally, to attract visitors to the area.

MTL is a company limited by guarantee, with a member elected board. MTL collaborates and partners with businesses, local, regional, state and federal agencies and organisations to generate economic growth through tourism. The board’s objective is for MTL to work with industry in continuing to grow this key pillar of the local economy thereby fostering economic diversity and employment. MTL delivers destination marketing, industry development and visitor access and dispersal services.

This annual report details the activities and outcomes of the work undertaken by the organisation in the 2013-2014 financial year.

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Thanks to our major sponsors



REPORT CARD

Marketing:

Twitter:
477 @visitmackay
FOLLOWERS
OVER 1000 followers
 @mackaytourism (corporate)



Instagram:
OVER 1000
 Photos shared using
 #meetmackayregion

2000 followers since
 account was created

Nearly 100 Free of Charge
 Attraction & Destination
RECORDS have been updated
 on ATDW on our website

Facebook:
400% INCREASE In the engagement of our audience
290% INCREASE Total Facebook page likes increased from 1075 to 4135

07 The Mackay Region
 represented at 7 Travel
 Shows and promotional
 shows

75% increase
 in distribution of Mackay
 Regional Visitor Guide

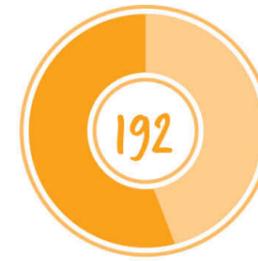
100%
 increase in **DOLLAR SPEND** for Visitor
 Information Centre
 Marketing

12 FAMILIS
 12 International and/or domestic
 journalist visits

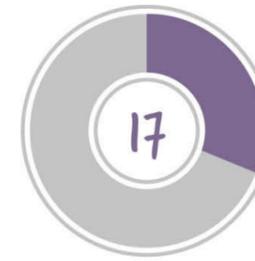
Case Study:
AUSTRALIAN FISHING
 championships

3x 30 minute episodes
 aired in over 30 countries on
 ESPN, Fox Sports, WIN and
 CCTV

Business Development:



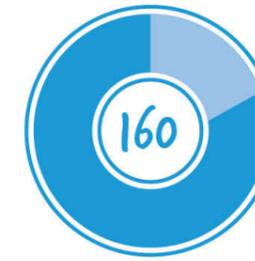
192 members – 19.25%
 growth in membership



17 workshops,
 training or networking
 functions (some held in
 conjunction with TEQ)



Average 37 participants
 per event



Over 160 businesses
 represented at
 networking functions and
 workshops



Topics included:

Business Events and Leisure Events workshops, famils and mentoring

Customer Service, Business Improvement & Yield Management

Marketing including social media, publicity and marketing to niche markets

Mackay Visitor Information Centre:

15% | increase (from 12-13) in gross travel bookings



17% | increase (from 12-13) in number of people served in person at the Mackay Visitor Information Centre



60% | VIC costs reduced by 60% allowing more money for marketing



Chairman's Report

Dear Members and Supporters.

Thank you for the privilege of chairing MTL for another year.

As this Board term draws to a close, it's the right opportunity to thank our sponsors, members and benefactors for their continued support this year.

With the support of Tourism and Events Queensland, the Mackay and Isaac Region now has a professionally developed branding strategy that clearly defines the strengths of our region and gives MTL the base it needs to continue to promote Mackay and Isaac to the world. The process of developing this strategy was not a cheap exercise - let's talk a six figure sum - and would not have been possible without the support of TEQ.

From an organisational perspective, we have upgraded our office equipment from a frustratingly slow IT setup to state of the art technology.

The finances of MTL remain healthy with a small surplus quarantined for future use.

Stephen Schwer as GM has recruited well and surrounded himself with a staff of professionals - people who are going the extra distance every day to satisfy tourists needs. Thank you to Stephen and his team for the results this year.

My thanks also go to the present and past Directors for their dedication and support of MTL. Similar accolades go to all our volunteers who make it possible for the Information Centre to open 7 days a week.

And to our members, thank you for your continued support.

The future? Getting our brand out to all our potential visitors and filling the void left by the mining downturn. That's a huge task - to do it effectively we need your help and support.

Warm Regards,

Paul O'Connor
Chair



General Manager's Report

Dear Member and Supporters,

Thank you for your support again in the 2013-2014 financial year. Our industry is going through a significant paradigm shift, and with that shift has come the responsibility for us all to increase our marketing efforts. You have all helped in some way to develop the new Mackay Region brand which gives us all a solid platform from which we can launch our combined marketing activities. If you haven't read the brand book and style guide as yet, I encourage you to do this at <http://www.mackayregion.com/corporate/brand/>. Of course as with any brand, this isn't just about a logo or a tagline (although it does include these) - the brand is the entire way we communicate with our consumers. We offer genuine, authentic service and our region is one of unspoilt nature on a road less travelled. Our happiest guests are the ones who take the time to connect with each other and the environment, and the quiet satisfaction they feel from experiencing our region creates lifelong memories for them. Thank you for committing to implementing the brand in your businesses and helping increase the awareness of our destination.

Thank you also for helping to develop our Destination Tourism Plan. We now have a shopping list of ideas and developments to explore, and work has already begun on a number of these actions. This long term plan contains the projects we all need to focus on to exceed our 2020 target of tourism being worth \$463 million per annum to the economy. As a region we decided to be ambitious and try to over-reach that target by \$100 million, up to \$563 million. It's an ambitious goal and one that we will achieve if we continue to package together, market together and recommend each other. To view the Destination Tourism Plan go to <http://www.mackayregion.com/corporate/report-downloads/>.

The 2014-2015 financial year will see some exciting developments. Our new Tourism and Events Leadership Program has been announced and many members have submitted their expressions of interest. This program will cover topics such as emotional intelligence and leadership, as well as yield management, the travel distribution system, brand alignment and one-on-one business mentoring. Our marketing activities will increase during 2014-2015, including a brand campaign that Tourism and Events Queensland are working on with us.

But there is one development that, whilst it may not occur in 2014-2015, is gaining momentum. and it will be critical for the success of our industry. At the recent DestinationQ state tourism forum, one topic kept being discussed. That is the topic of tourism industry structural reform, including the funding models for local, regional and state tourism organisations. This is a topic that will continue to be discussed, and I believe this is a good thing. We need to assess if our industry is functioning in the best way possible, and I believe structural reform is required. We need more money to market the region, to grow leisure and business visitation and keep our economy healthy. Structural reform, if it happens, will not be quick, and neither will it be easy. However it's necessary so we can grow our awareness amongst larger audiences.

Speaking of funding models, I want to thank our sponsors for their ongoing support. In the 2013-2014 financial year our list of fantastic sponsors grew to include QantasLink, adding to our ongoing sponsors Tourism and Events Queensland, Mackay Regional Council, Isaac Regional Council, Mackay Airport, The Daily Mercury, Southern Cross Austereo (Hot FM and Sea FM) and Channel Seven. Their support is greatly appreciated. Our mixed funding model at Mackay Tourism enables us the sustainability we need to focus on getting outcomes for the region. Our mixed funding model includes income from sponsors, members, events we host, grants, as well as retail and agency income through the Visitor Information Centre. This income is then invested into marketing, running the Visitor Information Centre and hosting workshops and functions for our members, as well as advocating on behalf of our members.

Thank you again for your continued support, and I wish you a healthy and prosperous new financial year.

Warm regards,

Stephen Schwer
General Manager



Director's Report

Mackay Tourism Ltd
ABN: 56 074 909 265

Directors' Report 30 June, 2014

The directors present their report on Mackay Tourism Ltd for the financial year ended 30 June, 2014.

1. General information

Information on directors

The names of each person who has been a director during the year and to the date of this report are:

Colin Adamson	Mechanical Engineer
Qualifications	Owner Reeforest Adventure Tours
Experience	Nil
Special responsibilities	
Ron Ailwood	Engineering Surveyor
Qualifications	President of Sarina Community Arts & Crafts Co-Operative Ltd
Experience	Nil
Special responsibilities	
Cr. Geoff Bethel	Councilor of Isaac Regional Council
Qualifications	Member of Board since 25 July 2012
Experience	Statutory Director and Isaac Regional Council Representative
Special responsibilities	
Amanda Camm	Deputy CEO - External Relations - REDC
Experience	Audit Committee Chairperson
Special responsibilities	
Paul Kelly	Appointed Director on 20 March 2014
Qualifications	Bachelor of Laws Australian Legal Practitioner with current practicing certificate Registered Migration Agent
Experience	Current Director of Incorporated Legal Practice Past Directorship of other corporate businesses
Special responsibilities	Nil
Racheal Klitscher	Bachelor of Business (Tourism Management)
Qualifications	Certificate IV Frontline Management
Experience	Destination Director - The Whitsundays, Islands of Great Barrier Reef & Mackay Tourism and Events Queensland
Special responsibilities	Nil
Cr. Greg Martin	Councilor of Mackay Regional Council
Experience	Statutory Director and Mackay Regional Council Representative
Special responsibilities	

Mackay Tourism Ltd
ABN: 56 074 909 265

Directors' Report 30 June, 2014

Information on directors continued

Paul O'Connor	Associate Fellow Australian Institute of Management
Qualifications	Diploma of Radio Sales Management Certificate IV in Small Business Management
Experience	General Manager Macquarie Southern Cross Media
Special responsibilities	Chairman of Mackay Tourism Ltd
Rob Porter	Graduate Certificate Business Administration (General Management)
Qualifications	Member of Australian Institute of Company Directors
Experience	General Manager - Mackay Airport
Special responsibilities	Audit Committee
Russell Spurrell	Bachelor of Applied Science (Tourism Management) Advance
Qualifications	Diploma Tourism Management Certificate III Construction
Experience	Managing Director - Quest Mackay Owner/Franchisee - Quest Mackay on Gordon
Special responsibilities	Nil
Wayne Tomkins	Appointed Director - 29 August 2013
Experience	General Manager - Daily Mercury
Special responsibilities	Nil
Ben Tune	Resigned 15 May 2014
Qualifications	Bachelor of Business (Management) Graduate Certificate in Change Management Executive Master of Business Administration Management (EMBA) - In Progress
Experience	National Manager - Charters & Tours - Greyhound
Special responsibilities	Audit Committee
Deanne Woolcock	Elected Director - member of Board since 31 October 2013
Qualifications	Bachelor of Business (Marketing and Human Resource Management)
Experience	Marketing Manager - Caneland Central Shopping Centre
Special responsibilities	Audit Committee
Adrian Young	Resigned 31 October 2013
Qualifications	Director of 4EVA YOUNG Entertainment
Special responsibilities	Audit Committee
Scott Rebgetz	Elected Director - Member of Board since 31 October 2013
Experience	Owner - Big 4 Mackay Marine Tourist Park
Special responsibilities	Audit Committee

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Directors' Report

30 June, 2014

Principal activities

The principal activity of Mackay Tourism Ltd during the financial year was the development of Tourism in the Mackay-Isaac Region.

No significant changes in the nature of the entity's activity occurred during the financial year.

Short term objectives

The entity's short term objectives are to:

- To increase visitor numbers to Mackay - Isaac region
- To increase visitor length of stay in Mackay - Isaac region
- To increase visitor expenditure in Mackay - Isaac region

Long term objectives

The entity's long term objectives are to:

- To make tourism a cornerstone of the Mackay - Isaac regional economy, creating employment and enhancing livability for our regional community.

How principal activities assisted in achieving the objectives

The principal activities during 2013-2014 contributed to these objectives through our marketing activities stimulating our target visitor markets, our destination development strengthening our competitiveness, and our industry activities helping build business professionalism in the delivery of our tourism experiences and services.

Performance measures

The Company measures its performance by monitoring visitor arrival and length of stay statistics and expenditure, monitoring sales at our Visitor Information Centre, monitoring sales of memberships to local business, and their degree of participation in our programs of promotional and educational activities.

Members guarantee

Mackay Tourism Ltd is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each members and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$ 100 for members that are corporations and \$ 100 for all other members, subject to the provisions of the company's constitution.

At 30 June, 2014 the collective liability of members was \$ 17,700 (2013: \$ 21,400).

Meetings of directors

During the financial year, 10 meetings of directors were held. Attendances by each director during the year were as follows:

Directors' Report

30 June, 2014

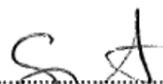
Meetings of directors continued

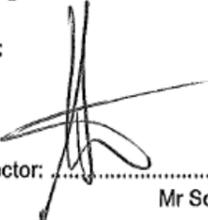
	Directors' Meetings	
	Number eligible to attend	Number attended
Collin Adamson	10	5
Ron Allwood	10	8
Cr. Geoff Bethel	10	8
Amanda Camm	1	1
Paul Kelly	2	2
Racheal Klitscher	10	5
Cr. Greg Martin	10	9
Paul O'Connor	10	9
Rob Porter	10	7
Russell Spurrell	10	8
Wayne Tomkins	10	6
Ben Tune	9	4
Deanne Woolcock	7	5
Adrian Young	3	3
Scott Rebgetz	7	5

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June, 2014 has been received and can be found on page 5 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

Director:

 Cr. Greg Martin

Director:

 Mr Scott Rebgetz

Dated this 18 day of SEPTEMBER 2014

Auditors Independence Declaration under Section 307C of the Corporations Act 2001 To the Directors of Mackay Tourism Ltd

I declare that, to the best of my knowledge and belief, during the 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.



Paul Hinton - CA
19 September, 2014

Mackay QLD

**Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June, 2014**

	2014	2013
Note	\$	\$
Advertising & marketing	43,111	74,610
Bookings & commissions	466,708	389,352
Contra (in kind)	(1,630)	4,127
Convention Bureau	6,596	159,281
Interest income	15,426	12,421
Membership income	805,456	789,687
Other income	6,827	10,900
Project income	69,664	205,603
Conferences & events	(78,512)	(182,621)
Cost of bookings & sales	(419,533)	(341,521)
Depreciation and amortisation expense	(22,159)	(27,284)
Employee benefits expense	(472,977)	(564,540)
Marketing	(155,605)	(103,295)
Membership	(19,912)	(8,855)
Operating expenses	(191,054)	(143,810)
Projects	(40,939)	(264,079)
Surplus/(Deficit) before income tax	11,467	9,976
Income tax expense	-	-
Surplus/(Deficit) after income tax expense for the year attributable to members	11,467	9,976
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year attributable to members	11,467	9,976

Mackay Tourism Ltd

ABN: 56 074 909 265

Statement of Financial Position

30 June, 2014

Note	2014 \$	2013 \$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	2 454,042	391,537
Trade and other receivables	3 52,508	52,591
Inventories	4 3,109	3,056
TOTAL CURRENT ASSETS	509,659	447,184
NON-CURRENT ASSETS		
Property, plant and equipment	5 267,378	290,689
TOTAL NON-CURRENT ASSETS	267,378	290,689
TOTAL ASSETS	777,037	737,873
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	6 179,838	96,598
Employee benefits	8 12,167	8,191
Other liabilities	7 35,796	95,314
TOTAL CURRENT LIABILITIES	227,801	200,103
NON-CURRENT LIABILITIES		
TOTAL LIABILITIES	227,801	200,103
NET ASSETS	549,236	537,770
EQUITY		
Reserves	164,324	164,324
Retained earnings	10 384,911	373,446
TOTAL EQUITY	549,235	537,770

Mackay Tourism Ltd

ABN: 56 074 909 265

Statement of Changes in Equity

For the Year Ended 30 June, 2014

2014

Note	Retained Earnings \$	Asset Realisation Reserve \$	Total \$
Balance at 1 July 2013	373,446	164,324	537,770
Profit attributable to members of the entity	11,467	-	11,467
Balance at 30 June 2014	384,913	164,324	549,237

2013

Note	Retained Earnings \$	Asset Realisation Reserve \$	Total \$
Balance at 1 July 2012	363,470	164,324	527,794
Profit attributable to members of the entity	9,976	-	9,976
Contribution of equity, net of transaction costs	-	-	-
Balance at 30 June 2013	373,446	164,324	537,770

The accompanying notes form part of these financial statements.

Statement of Cash Flows
For the Year Ended 30 June, 2014

Note	2014 \$	2013 \$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	1,352,639	1,576,365
Payments to suppliers and employees	(1,305,560)	(1,608,722)
Interest received	15,426	12,421
Net cash provided by (used in) operating activities	14 <u>62,505</u>	<u>(19,936)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	-	(681)
Net cash used by investing activities	-	<u>(681)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net increase (decrease) in cash and cash equivalents held	62,505	(20,617)
Cash and cash equivalents at beginning of year	391,537	412,154
Cash and cash equivalents at end of financial year	2 <u>454,042</u>	<u>391,537</u>

Summary of Significant Accounting Policies
For the Year Ended 30 June, 2014

1 Summary of Significant Accounting Policies

(a) Basis of Preparation

The directors have prepared the financial statements on the basis that the not-for-profit entity is a non-reporting entity because there are no users dependent on general purpose financial statements. These financial statements are therefore a special purpose financial statements that have been prepared in order to meet the requirements of the *Corporations Act 2001*. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the *Corporations Act 2001* and the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with those of previous periods unless otherwise stated.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise. The amounts presented in the financial statements have been rounded to the nearest dollar.

(b) Income Tax

No provision for income tax has been raised as the entity is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

(c) Revenue

Sale of goods

Revenue is recognised on transfer of goods to the customer as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods.

Grant revenue

Non-reciprocal grant revenue is recognised in the statement of profit or loss and other comprehensive income when the entity obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Mackay Tourism Ltd receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in the statement of profit or loss and other comprehensive income.

Interest revenue

Interest is recognised using the effective interest method.

Summary of Significant Accounting Policies For the Year Ended 30 June, 2014

1 Summary of Significant Accounting Policies continued

(d) Goods and Services Tax (GST)

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 Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

All revenue is stated net of the amount of goods and services tax (GST).

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(e) Inventories

Inventories are measured at the lower of cost and current replacement cost.

(f) Accounts Payable and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

(g) Property, Plant and Equipment

Classes of property, plant and equipment are measured on the cost basis less depreciation and any impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets.

In the event the carrying amount of plant and equipment is greater than the recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present (refer to note (i) for details of impairment).

Depreciation

The depreciable amount of all property, plant and equipment, except for freehold land is depreciated on a straight-line basis over the asset's useful life to the entity, commencing from the time the asset is held ready for use.

Assets held under a finance lease and leasehold improvements are depreciated over the shorter of the term of the lease and the assets useful life.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Buildings	4-25%

Summary of Significant Accounting Policies For the Year Ended 30 June, 2014

1 Summary of Significant Accounting Policies continued

(g) Property, Plant and Equipment continued

Fixed asset class	Depreciation rate
Plant and Equipment	20 - 25%
Furniture, Fixtures and Fittings	20 - 25%
Motor Vehicles	25%
Marketing Equipment Equipment	20 - 25%
Computer & Communications Equipment	20 - 100%

The assets' residual value and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(h) Accounts Receivable and Other Debtors

Accounts receivable and other debtors include amounts due from members and any outstanding grant receipts. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets.

(i) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. For financial assets, this is the equivalent to the date that the entity commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

Impairment of financial assets

At the end of the reporting period the entity assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. A financial asset (or group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability, which is extinguished or transferred to another party, and the fair value consideration paid.

Summary of Significant Accounting Policies For the Year Ended 30 June, 2014

1 Summary of Significant Accounting Policies continued

(j) Impairment

At the end of each reporting period, the Company reviews the carrying amount of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair amount less costs to sell and value in use, is compared to the asset's carrying amount. Any excess in the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of a class of asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where an impairment loss on a revalued asset is identified, this is debited against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount of the revaluation surplus for that same class of asset.

(k) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments and bank overdrafts.

(l) Employee provisions

(i) Short-term employee benefits

Provision is made for the company's obligations for short term employee benefits. Short term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and annual leave. Short term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

Contributions are made by the entity to an employee superannuation fund and are charged as expenses when incurred.

(m) Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(n) Critical accounting estimates and judgments

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

Summary of Significant Accounting Policies For the Year Ended 30 June, 2014

1 Summary of Significant Accounting Policies continued

(n) Critical accounting estimates and judgments continued

Key estimates

Impairment - The company assesses impairment at the end of each reporting period by evaluating conditions and events specific to the company that may be indicative of impairment triggers.

(o) Economic dependence

Mackay Tourism Ltd is dependent on the Mackay Regional Council for the majority of its revenue used to operate the business. At the date of this report the directors have no reason to believe the Mackay Regional Council will not continue to support Mackay Tourism Ltd.

(p) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The entity has decided against early adoption of these Standards. The following table summarises those future requirements, and their impact on the entity:

Standard Name	Effective date for entity	Requirements	Impact
AASB 9 Financial Instruments and amending standards AASB 2010-7 / AASB 2012-6	30 June 2016	Changes to the classification and measurement requirements for financial assets and financial liabilities. New rules relating to derecognition of financial instruments.	The impact of AASB 9 has not yet been determined as the entire standard has not been released.
AASB 1053 - Application of Tiers of Australian Accounting Standards and amending standards AASB 2010-2, AASB 2011-11, AASB 2012-1, AASB 2012-7 and AASB 2012-11	30 June 2014	This standard allows certain entities to reduce disclosures.	The entity is not adopting the RDR and therefore these standards are not relevant.
AASB 2011-2 Amendments to Australian Accounting Standards arising from Trans-Tasman convergence – Reduced Disclosure Requirements	30 June 2014	Highlights the disclosures not required in AASB 1054 for entities applying the RDR.	FOR RDR ENTITIES Little impact since the disclosures are not included in the RDR financials. FOR NON RDR ENTITIES The entity is not adopting the RDR and therefore this standard is not relevant.

Summary of Significant Accounting Policies

For the Year Ended 30 June, 2014

1 Summary of Significant Accounting Policies continued

(p) New Accounting Standards and Interpretations continued

Standard Name	Effective date for entity	Requirements	Impact
AASB 13 Fair Value Measurement.	30 June 2014	AASB 13 provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across Accounting Standards but does not change when fair value is required or permitted.	Fair value estimates currently made by the entity will be revised and potential changes to reported values may be required.
AASB 2011-8 - Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132]		There are a number of additional disclosure requirements.	The entity has not yet determined the magnitude of any changes which may be needed.
AASB 2011-4 - Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements [AASB 124]	30 June 2014	Remove individual key management personnel disclosure requirements (i.e. components of remuneration) for disclosing entities.	The entity is not a disclosing entity and therefore this will have no impact. OR Since the entity is a disclosing entity, the KMP remuneration note in the financial statements will not include individual components of remuneration.
AASB 119 Employee Benefits (September 2011)	30 June 2014	The main changes in this standard relate to the accounting for defined benefit plans and are as follows: - elimination of the option to defer the recognition of gains and losses (the 'corridor method'); - requiring remeasurements to be presented in other comprehensive income; and - enhancing the disclosure requirements.	Since the entity does not have a defined benefit plan, the adoption of these standards will not have any impact. OR Where the entity has a defined benefit plan, the impact of this standard should be calculated and disclosed.
AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) and AASB 2011-11 Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements			
AASB 2010-10 - Further Amendments to Australian Accounting Standards - Removal of Fixed Dates for First-time Adopters [AASB 2009-11 & AASB 2010-7]	30 June 2014	Makes amendments to AASB 1	No impact since the entity is not a first-time adopter of IFRS.

Summary of Significant Accounting Policies

For the Year Ended 30 June, 2014

1 Summary of Significant Accounting Policies continued

(p) New Accounting Standards and Interpretations continued

Standard Name	Effective date for entity	Requirements	Impact
AASB 2012-2 - Amendments to Australian Accounting Standards - Disclosures - Offsetting Financial Assets and Financial Liabilities [AASB 132 & AASB 7]	30 June 2014	Requires the inclusion of information about the effect or potential effect of netting arrangements.	There is no impact on disclosures as there are no offsetting arrangements currently in place.
AASB 2012-4 - Amendments to Australian Accounting Standards - Government Loans [AASB 1]	30 June 2014	Adds exception to retrospective application of Australian Accounting Standards for first time adopters.	No impact as these are not the first time adoption accounts for the entity.
AASB 2012-5 - Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle [AASB 1, AASB 101, AASB 116, AASB 132 & AASB 134 and Interpretation 2]	30 June 2014	AASB 1 - this standard clarifies that an entity can apply AASB 1 more than once. AASB 101 - clarifies that a third statement of financial position is required when the opening statement of financial position is materially affected by any adjustments. AASB 116 - clarifies the classification of servicing equipment. AASB 132 and Interpretation 2 - Clarifies that income tax relating to distributions to holders of an equity instrument and to transaction costs of an equity transaction shall be accounted for in accordance with AASB 112 Income Taxes AASB 134 - provides clarification about segment reporting.	No expected impact on the entities financial position or performance.
AASB 2011-12 Amendments to Australian Accounting Standards arising from Interpretation 20	30 June 2014	Allows transitional provisions for stripings costs in accordance with Interpretation 20.	There will be no impact as entity is not in the mining industry.
AASB 2012-9 Amendment to AASB 1048 arising from the Withdrawal of Australian Interpretation 1039	30 June 2014	Removes reference to withdrawn Interpretation 1039.	No impact on the financial statements.
AASB 1055 - Budgetary Reporting	30 June 2015	This standard specifies the nature of budgetary disclosures and circumstances for inclusion in the financial statements.	No impact as the entity is not a public sector entity.
AASB 2013-1 Amendments to AASB 1049 - Relocation of Budgetary Reporting Requirements			
AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities [AASB 132]	30 June 2015	This standard adds application guidance to AASB 132 to assist with applying some of the offset criteria of the standard.	There will be no impact to the entity as there are no offsetting arrangements currently in place..

Notes to the Financial Statements
For the Year Ended 30 June, 2014

2 Cash and cash equivalents

	2014	2013
	\$	\$
Cash at bank and in hand	373,950	330,174
Short-term bank deposits	80,092	61,363
	<u>454,042</u>	<u>391,537</u>

3 Trade and other receivables

	2014	2013
	\$	\$
CURRENT		
Trade receivables	51,941	51,785
	<u>51,941</u>	<u>51,785</u>
Prepayments	567	806
Total current trade and other receivables	<u>52,508</u>	<u>52,591</u>

4 Inventories

	2014	2013
	\$	\$
CURRENT		
At cost:		
Finished goods	3,109	3,056
	<u>3,109</u>	<u>3,056</u>
	<u>3,109</u>	<u>3,056</u>

5 Property, plant and equipment

Buildings		
At directors' valuation	367,512	367,512
Accumulated depreciation	(133,187)	(121,877)
Total buildings	<u>234,325</u>	<u>245,635</u>
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	133,787	133,787
Accumulated depreciation	(110,929)	(105,163)
Total plant and equipment	<u>22,858</u>	<u>28,624</u>
Motor vehicles		
At cost	20,277	20,277
Accumulated depreciation	(14,327)	(12,344)
Total motor vehicles	<u>5,950</u>	<u>7,933</u>

Notes to the Financial Statements
For the Year Ended 30 June, 2014

5 Property, plant and equipment continued

Computer equipment		
At cost	64,376	76,477
Accumulated depreciation	(60,131)	(67,980)
Total computer equipment	<u>4,245</u>	<u>8,497</u>
Total plant and equipment	<u>33,053</u>	<u>45,054</u>
Total property, plant and equipment	<u>267,378</u>	<u>290,689</u>

The entity's buildings were revalued at 30 June, 2010 by independent valuer Alex Bourne AAPI Certified Valuer of Taylor Byrne Pty Ltd. Valuations were made on the basis of replacement costs of the building and improvements. The building is situated on Council land and is therefore not valued at a market sale value. The company's directors have reviewed this valuation at year end and consider the value still represents fairly the depreciated replacement cost of the building concerned.

6 Trade and other payables

	2014	2013
	\$	\$
CURRENT		
Unsecured liabilities		
Trade payables	184,821	116,452
GST payable	(11,589)	(7,493)
Other payables UD2	-	2,723
Other payables	6,606	(15,084)
	<u>179,838</u>	<u>96,598</u>
	<u>179,838</u>	<u>96,598</u>

7 Other Financial Liabilities

	2014	2013
	\$	\$
CURRENT		
Mining Trail	28,334	28,334
Membership in Advance	7,462	6,980
Deferred income	-	60,000
Total	<u>35,796</u>	<u>95,314</u>

8 Employee Benefits

	2014	2013
	\$	\$
Current liabilities		
Provision for annual leave	12,167	8,191
	<u>12,167</u>	<u>8,191</u>

Notes to the Financial Statements
For the Year Ended 30 June, 2014

9 Asset revaluation reserve

The asset revaluation reserve records realised gains on revaluation of property, plant and equipment recorded at fair value. There has been no movement in this reserve during the year.

10 Retained Earnings

	2014	2013
	\$	\$
Retained earnings (accumulated losses) at the beginning of the financial year	373,446	363,469
Surplus/(Deficit) for the year	<u>11,465</u>	<u>9,977</u>
Retained earnings at end of the financial year	<u>384,911</u>	<u>373,446</u>

11 Members' Guarantee

The entity is incorporated under the *Corporations Act 2001* and is a entity limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$ 100 each towards meeting any outstandings and obligations of the entity. At 30 June, 2014 the number of members was 177 (2013: 214).

12 Remuneration of Auditors

	2014	2013
	\$	\$
Remuneration of the auditor of the Company		
- auditing or reviewing the financial report	4,590	4,500
- other services	<u>730</u>	<u>1,475</u>

13 Contingencies

In the opinion of the Directors, the entity did not have any contingencies at 30 June, 2014 (30 June 2013:None).

Notes to the Financial Statements
For the Year Ended 30 June, 2014

14 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2014	2013
	\$	\$
Surplus/(Deficit) for the year	11,465	9,977
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	22,159	27,282
- loss on scrapped assets	1,151	-
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
- (increase)/decrease in trade and other receivables	(6,740)	(56,907)
- (increase)/decrease in inventories	53	1,290
- increase/(decrease) in income in advance	(59,618)	2,790
- increase/(decrease) in trade and other payables	88,331	(30,259)
- increase/(decrease) in provisions	<u>3,975</u>	<u>25,891</u>
Cashflow from operations	<u>60,776</u>	<u>(19,936)</u>

15 Events Occurring After the Reporting Date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the entity, the results of those operations, or the state of affairs of the entity in future financial years.

16 Company Details

The registered office of and principal place of business of the company is:

Mackay Tourism Ltd
320 Nebo Road
MACKAY MC QLD 4740

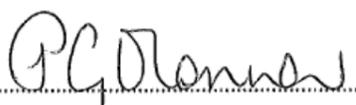
Directors' Declaration

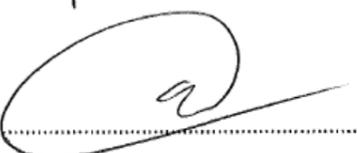
The directors have determined that the entity is not a reporting entity and that these special purpose financial statements should be prepared in accordance with the accounting policies described in Note 1 of the financial statements.

The directors of the entity declare that:

1. The financial statements and notes, as set out on pages 7 to 20, are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Australian Accounting Standards as stated in Note 1; and
 - (b) give a true and fair view of the financial position as at 30 June, 2014 and of the performance for the year ended on that date of is in accordance with the accounting policy described in Note 1 of the financial statements.
2. In the directors' opinion, there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director 

Director 

Dated 18.09.2014.



Independent Audit Report to the members of Mackay Tourism Ltd

Report on the Financial Report

We have audited the accompanying financial report, being a special purpose financial report of Mackay Tourism Ltd, which comprises the statement of financial position as at 30 June, 2014, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes 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 entity are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members. The directors' responsibility also includes 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.

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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 judgment, 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Mackay Tourism Ltd, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion the financial report of Mackay Tourism Ltd is in accordance with the *Corporations Act 2001*, including:

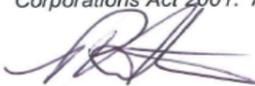
Mackay Tourism Ltd
ABN: 56 074 909 265

Independent Audit Report to the members of Mackay Tourism Ltd

- (a) giving a true and fair view of the entity'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 and the *Corporations Regulations 2001*.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report which describes the basis of accounting. The financial report is prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose.



Paul Hinton - CA
Bennett Partners

Level 1/122 Wood Street MACKAY QLD 4740

19 September, 2014

Members 13-14

4Eva Young
Adrenalin Rush Sports Australia
AFL Mackay
Air Whitsunday Seaplanes
Airlie Beach Hotel
Airlie Beach Motor Lodge
Airlie Cove Resort & Van Park
Alara Motor Inn
Ambassador Hotel
Armstrong Beach Caravan Park
at Hotel
Avatar Country Day Spa & Spiritual Wellness Centre
Avis Australia
BB Print
Beach Court Holiday Villas
Beachfront B&B
Big 4 Adventure Whitsunday Resort
Big 4 Mackay Marine Tourist Park
Birch Carrol and Coyle
Blue Ribbon Motor Inn
Blue River Ice
Breezeway House
Broken River Mountain Resort
Brooke Miles Photography
Bucasia Beachfront Caravan Park
BURP eat drink
Bush Village Budget Cabins
Bushman's Bread
Caltex Marian
Canegrowers Mackay
Canelands Central
Cape Hillsborough Nature Resort
Caravan Spares
Central Tourist Park
CFT Security
Charter Yachts Australia
Clarion Hotel Mackay Marina
Clermont detectors
Club Croc Hotel Airlie Beach
Coffee Devine
Comfort Inn The Rose
Comfort Resort Blue Pacific
Cool Palms Motel
Coral Cay Motor Inn
Coral Sands Motel
Core Publishing Events Pty Ltd
Country Plaza Motor Inn
CQ University
Cruise Whitsundays
Dalrymple Bay Coal Terminal P/L
Daydream Island
Debbie's Seafood
Dolphin Heads Resort
Eagle Rider Mackay
Eimeo Pacific Hotel
Eungella Business Group
Evergreen Interiors
Explore Whitsundays
Explorer's Haven
Finch Hatton Gorge Cabins
Flyboarding
Forest Flying
Freckle Farm
Galaxy Motel
Gowake Cable Park - Mackay
Greyhound Australia
Grinders Catering
Guest House on Carlyle
Hamilton Island
Harrup Park
Hay Point country Bed and Breakfast
Healthpoint Chemist
Hi-Way Units Motel
IDEAL Placements
Jaimon Boarding Kennels & Cattery
Jivoli
Jody Euler
Karen Cridland
Kelly Legal
Keswick Island Developments
Keswick Island Guesthouse
Keswick Island Store & Cabins
Keswick Island Tourism
Keswick Island Yoga Retreat
Keswick Underwater Dive
Kookaburras Store
Lady Musgrave cruises
Lake Maraboon Holiday Village
Lanai Riverside Apartments
Lions P/L
Leeway Beach House
Long Island Resort
Mackay Airport Harbour Beach Race Day
Mackay Beach Accommodation
Mackay Blacks Beach Holiday Park
Mackay Cable P/L
Mackay Fish Market
Mackay Grande Suites
Mackay Holiday Home Mt Pleasant
Mackay Language College
Mackay Marina Pty Ltd

Members Continued

Mackay Motor Inn
Mackay Region Chamber of Commerce
Mackay Taxi Holdings
Magpies Sporting Club
Mantaray Charters
Media Whitsundays
Megaforce Charters
Melba House
Mid City Motor Inn
Mint Mackay
MOE Office Supplies
Moranbah Community Workers Club
Moranbah Traders Association
Mountain Edge Escape
MRAEL
Museum of Tropical Queensland
MyCow Pty Ltd
Nebo Hotel
Neem Hall
North Mackay Bowls Club
Northern Beaches Bowls Club Mackay
Oaks Middlemount
Oaks Moranbah
Ocean International
Ocean Rafting
Ocean Resort Village
Ooh la la Pet Centre
P. Comino & Sons
Paronella Park
Paxtons Creative Space
Peddle Power Electric Bike
Pioneer Valley Golf Club
Pioneer Valley Show Society
Potter's Oceanside Motel
PRD Nationwide
Premier Caravan Park
QLD Parks & Wildlife Service
Queensland Rail Travel
Quest Mackay
Quest Mackay on gordon
Rainforest Scuba
Reef HQ Aquarium
Reeforest Adventures
Reefstar Cruises P/L
Regatta Beach Apartment
Rockhampton Heritage Village
Rover Holiday Units
Sandra Batterham
Sarina Beach Motel
Sarina Motor Inn
Seabreeze Tourist park
SeaEagles Beach
Segway Madness Tours
Shakespeare International Motel
Shamrock Gardens Motel & Shamrock Hotel
Shoal Cottage
Sirromet
Skills Training Mackay
Sorbello's Italian Restaurant
Soundworx Pty Ltd
Southern Suburbs Football Club Mackay Inc
Spice n Flavour
Starlight Screenings Mackay
Stoney Creek Farmstay
Sun Plaza Motel
Sunsuper
Tallship Adbentures P/L
That Sapphire Place
The Beach House Salonika
The Eungella Challet
The Feathered Nest
The Leap Hotel
The Old Station TeaHouse
The Park
The Shores Holiday Apartments
The Valley Theatrical Players
Thirsty Sound Beach Bar and Grill
Toscana Airlie Beach Accommodation
Traveller RestCaravan Park
Tropic Coast Motel
Waterfront Getaway
Whithaven Xpress
Whitsunday Crocodile Safari
Whitsunday Jetski Tours
Whitsunday on the Beach
Whitsunday Sailing Adventures
Windmill Motel & Reception Centre

Life Members:

Mayor Deirdre Comerford
Trevor Heard