



**MILDURA CITY HEART INC.
2015/2016 ANNUAL REPORT**

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Chair's report

To My Fellow Traders,

I would like to open my report by thanking you for your tremendous support over the past twelve months.

Our last AGM could have been our final one – Mildura Rural City Council met during December to vote on the adoption of the new 'Special Rate'; a new method of funding Mildura City Heart, where previously the 'Differential Rate' had been quashed and MCH had received no funding for six months. Without this funding model we would have been unable to continue with Mildura City Heart, and all collective marketing/advocacy/support for yourselves would have ceased.

In order to demonstrate to Council that our entity is needed, we broadly surveyed hundreds of businesses throughout our precinct and were able to present to Council a strong positive argument for the continuation of MCH.

Immediately after the 2015 AGM we had to watch our desperately-shrinking cash reserves as we entered into the Christmas period and what could have been our final promotions. Despite the financial restrictions I am very proud of what we were able to achieve with our marketing for Christmas – many businesses in the precinct reported a stronger-than-normal performance for the Christmas period.

MRCC put the vote to the Councillors in December and through the support demonstrated by our traders, the Councillors voted to approve our Special Rate – effectively reinstating our funding from January 1st, 2016.

The result was somewhat confounding – as our all of our efforts were aimed on restoring Mildura City's rate, we suddenly found ourselves full-funded but without a strategic plan. We hurriedly set about securing the services of Peter O'Donnell of South Cross Business Advisors and formulating our strategies for the next 3.5 years.

We were able to secure most of our major CBD events for the 2016 calendar, including The Country Music Festival, Goanna Run, Good Friday Show and Shine, Falcon GT Run, and a huge range of different activities for the School Holidays.

We upgraded our City Heart Office to a centralized location in the Mall. The need for such a space was vital for a distinct retail presence, for meeting with third parties, for customer information, to drive sales of the MCH Gift Cards, for storage and it will also host Santa's Cave during Christmas.

On the topic of Christmas we are in the final throes of putting together an exciting competition that will drive traffic throughout the precinct & look forward to providing more information as the peak retail season approaches.

I would like to thank our Board for sticking through the past 12 – 18 months. It has been a tumultuous period, with a lot of minor running battles to keep everything in check. I'd like to thank our outgoing Board members: Michael Murdoch and Alan Fisher for their invaluable work with the re-establishment of the rate which funds the whole operation. Without their key input we would have struggled to get where we are now.

I would also like to take this opportunity to thank Cathy Violi for her loyalty throughout this process also. Despite the lack of job security that the unfunded entity offered, Cathy held on

and has been successful in restoring Mildura City Heart to a fully-operational business. During the year we welcomed Kate McCourt, our new administration assistant to help Cathy with daily activities.

In closing, I'd like to point out the successes we've had throughout the CBD. Just two years ago we had a dozen vacancies in the Mall alone, with dozens more vacancies scattered throughout the precinct.

Why the sudden change? It's likely that the reestablishment of Mildura City Heart, the 7 Day Makeover, the Riverfront and recently-completed connection works have contributed to a renewed business confidence; a confidence that has seen a remarkable turn-around in tenancies throughout the City Heart.

With dozens of new businesses inside our precinct, it's up to every trader to maintain this enthusiasm.

We thank you again for your support.

Ryan Hammerton
Chair

Manager's report

2015/2016 was a major period of growth and resilience during difficult times. Without any income for the period of 1 July – 31 December 2015, we saw the true determination of the traders and members of Mildura City Heart: voting to continue through the hard times; stepping up to the challenges of leading an organisation with an uncertain future; and working relentlessly to ensure a future for Mildura City Heart.

Since the implementation of the Special Rate on 1 January 2016 we have experienced significant growth in the precinct. We now bear witness to the highest occupancy rate Mildura City Heart has experienced in more than 10 years. Investors and business operators are seeing value in the activation works implemented by Mildura City Heart, generating increased foot traffic and positive trading conditions.

Whilst it has certainly been sad to lose some operators over the past 12 months, we continue to work with and celebrate the success of our members, and have welcomed many new businesses to the area.

With a new funding model in place until 30 June 2019, this year has been a significant year of planning for the future, with the ability to plan beyond a single financial year. This will bring with it continued business confidence and new events and activities, whilst still building on the traditional events that Mildura City Heart is renowned for; a multi-faceted marketing program; and research for future projects to ensure that Mildura City Heart is catering to, and exceeding, the needs of our members and community members alike.

Our new office location in the Langtree Mall has now been realised, contributing to efficiencies with all of our storage now on-site enabling more practical event management, daily place-making activities such as providing oversized board games, additional seating in the main pavilion and an increased presence as we expanded our office hours to include Saturdays.

Saunders Design have been working closely with the board in developing a new brand, seeing a return to the "Mildura City Heart" branding from "Mildura City", which will alleviate confusion in our identity as separate to Mildura Council.

I would like to convey a very personal and sincere thanks to Chair, Ryan Hammerton, and the Mildura City Heart board of directors for your continued vision and support. A special thanks to Kate McCourt, who commenced employment with City Heart in June 2016 and has taken on the role with professionalism and diligence. And to our volunteers Ash and Ray – thank you for always being around to lend a hand.

I wish to also gratefully acknowledge the significant work from Mildura Rural City Council, in conjunction with Strategic Planning consultant Peter McNabb, in exploring every avenue to ensure the implementation of the new Special Rate; and to Mildura Rural City Council also for their ongoing delivery of infrastructure works, major event funding, and for encouraging the activation of the City Heart.

We are pleased to report against our strategic plan on the following page.

Cathy Violi
Manager

The new Mildura City Heart Strategic Plan (2016-2019) was adopted in April 2016.

Goal: Sustainability

To ensure that Mildura City Heart has a strong financial and structural base, underpinned by a culture of continuous improvement within the organisation

- Mildura City Heart Special Rate implemented for the period of 1 January 2016 – 30 June 2019;
- Memorandum of Understanding established with Mildura Rural City Council;
- Delivered on Key Performance Indicators to Mildura Rural City Council;
- Developed and adopted a Board Charter that provides a framework to ensure statutory compliance, transparent governance, management review and sound decision-making;
- Developed a 3-year budget and budget review process;
- Established a renewal fund for major projects.

Goal: Activation

To make Mildura City Heart a destination of choice

- Established a calendar of activities for the Mildura City Heart precinct that focuses on promoting local events and community groups, with a targeted approach to utilising various areas of the precinct.

Goal: Representation

To be the strong voice of advocacy for businesses within, and visitors to, the Mildura City Heart precinct

- Regular liaison with members of Mildura City Heart, including development of surveys for traders and visitors;
- Developed a calendar of meetings with relevant departments of MRCC and key stakeholders.

MILDURA CITY HEART INCORPORATED

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2016

COMMITTEE'S REPORT

Your committee members submit the financial report of the Mildura City Heart Incorporated for the financial year ended 30 June 2016.

Committee Members

The names of committee members throughout the year and at the date of this report are:

Ryan Hammerton – Chair	Anna Sullivan – Deputy Chair
Cassandra Circosta – Treasurer	Michael Murdoch – Secretary
Alan Fisher	Tim Aldridge
Steve Cooper – Retired August 2015	

Principal Activities

The principal activities of the association during the financial year were:

- The promotion of Mildura City Heart Traders.

Significant Changes

No significant change in the nature of these activities occurred during the year.

Operating Result

The profit for the year amounted to \$12,362

Signed in accordance with a resolution of the Members of the Committee.



.....
Ryan Hammerton – Chair



.....
Cassandra Circosta – Treasurer

Dated this 18th day of October 2016

**INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2016**

	Note	2016 \$	2015 \$
Income			
Mildura City Council		275,000	417,247
Grant & sponsorship		17,000	17,942
Hire of equipment		790	739
Other income		8,204	6,110
Interest		1,123	843
		302,117	442,881
Expenditure			
Accountancy, audit & bookkeeping		4,520	6,090
Advertising – general		4,541	17,418
Bank fees & voucher charges		1,748	4,654
Board member payments		-	7,200
Depreciation		15,847	11,531
Fringe benefit expense		1,667	1,576
General expenses		9,648	6,406
Insurance		2,798	2,282
Motor vehicle expenses		3,870	5,360
Office supplies & printing		9,887	8,759
Promotions	2	87,612	144,962
Rent & outgoings		17,143	17,112
Sponsorships		1,090	1,032
Staff amenities, training & uniforms		1,060	5,936
Subscriptions & memberships		3,380	3,861
Telephone		5,150	4,502
Trader training		730	170
Travel		-	1,043
Wages & superannuation		119,064	136,934
		289,755	386,828
Surplus for the year		12,362	56,053
Retained surplus 1 July 2015		148,382	92,329
Retained surplus 30 June 2016		160,744	148,382

The accompanying notes form part of these financial statements.

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016**

	Note	2016 \$	2015 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	163,705	141,553
Trade and other receivables	4	80	895
TOTAL CURRENT ASSETS		<u>163,785</u>	<u>142,448</u>
NON-CURRENT ASSETS			
Plant and equipment	5	47,456	26,872
TOTAL NON-CURRENT ASSETS		<u>47,456</u>	<u>26,872</u>
TOTAL ASSETS		<u>211,241</u>	<u>169,320</u>
CURRENT LIABILITIES			
Trade and other payables	6	50,497	20,938
TOTAL CURRENT LIABILITIES		<u>50,497</u>	<u>20,938</u>
TOTAL LIABILITIES		<u>50,497</u>	<u>20,938</u>
NET ASSETS		<u>160,744</u>	<u>148,382</u>
EQUITY			
Retained surplus		160,744	148,382
TOTAL EQUITY		<u>160,744</u>	<u>148,382</u>

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Reform Act 2012. The committee has determined that the association is not a reporting entity.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The following material accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report.

a. **Income Tax**

Mildura City Heart Incorporated is a not for profit organisation and is exempt from income tax under Section 50 of the Income Tax Assessment Act 1997 and is therefore not required to make any provision for income tax.

b. **Property, Plant and Equipment**

The depreciable amount of all property, plant and equipment is depreciated over the useful lives of the assets to the association, commencing from the time the asset is held ready for use.

Leasehold improvements and office equipment are carried at cost less, where applicable, any accumulated depreciation.

Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

c. **Impairment of Assets**

At each reporting date, the association reviews the carrying values of its tangible and intangible 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 value less costs to sell and value-in-use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to profit or loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the association estimates the recoverable amount of the cash-generating unit to which the asset belongs.

d. **Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

e. **Revenue and Other Income**

Revenue from the sale of goods and services is recognised upon the delivery of goods and services to customers generally accepted in the market for similar arrangements.

Grant revenue is recognised in profit or loss when the association obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be reliably measured.

Interest revenue is recognised on a proportional basis taking into account the interest rate applicable to the financial assets.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

f. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

g. Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

h. Key Estimates

(i) *Impairment*

The association assesses impairment at each reporting date by evaluation of conditions and events specific to the group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

i. New Accounting Standards for Application in Future Periods

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods and which the association has decided not to early adopt. The association does not expect that these changes will have a material effect on its financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

NOTE 2: PROMOTIONS	2016	2015
	\$	\$
CBD Promotions	1,693	10,002
Christmas in the City	17,800	33,738
Country Music	10,000	16,036
Easter Show & Shine	23,712	17,556
Falcon GT Run	1,712	-
Goanna Run	-	4,433
Hattah Enduro Scrutineering	1,080	2,241
Jazz, Food & Wine Festival	-	8,075
Longest Lunch	634	600
MASP Sleepout	-	250
School Holidays	20,920	28,115
Support Small Business	-	8,230
Table Tennis	1,118	-
Toy Run	-	590
Trader's Christmas Party	-	4,205
Traders Meetings & Functions	2,732	1,254
Volunteers Expenses	4,785	2,812
Vouchers	782	2,726
Zest Fest	644	4,099
	<u>87,612</u>	<u>144,962</u>

NOTE 3: CASH AND CASH EQUIVALENTS

Cash on hand	300	119
Cash at bank	163,405	141,434
	<u>163,705</u>	<u>141,553</u>

NOTE 4: TRADE AND OTHER RECEIVABLES

CURRENT

Trade debtors	80	895
	<u>80</u>	<u>895</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

NOTE 5: PLANT AND EQUIPMENT	2016	2015
	\$	\$
Plant & Equipment		
At cost	83,794	61,442
Accumulated depreciation	(41,354)	(40,744)
	42,440	20,698
Motor Vehicles		
At cost	14,176	14,176
Accumulated depreciation	(9,160)	(8,002)
	5,016	6,174
Total Plant and Equipment	47,456	26,872

NOTE 6: TRADE AND OTHER PAYABLES

CURRENT

Trade payables	34,407	1,676
Other payables and accrued expenses	2,834	4,429
Integrated client account – ATO	13,256	14,833
	50,497	20,938

NOTE 7: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

As at 30 June 2016, the committee is unaware of any liability or asset, contingent or otherwise, which has not already been elsewhere in this report.

NOTE 8: EVENTS AFTER THE BALANCE SHEET DATE

Since the reporting date, there have been no events which materially impact on the content and the result of the financial report.

NOTE 9: RELATED PARTY TRANSACTIONS

There were no related party transactions during the current financial year.

NOTE 10: ECONOMIC DEPENDENCE

While the association's activities are assisted by government funding, its core source of revenue is provided by Mildura Rural City Council (MRCC). At the date of this report, the members of the committee had no reason to believe that MRCC would not continue to provide financial support to Mildura City Heart Incorporated.

NOTE 11: ASSOCIATION DETAILS

The registered office of the association is:

NOTE 11: ASSOCIATION DETAILS


Mildura City Heart Incorporated
63a Langtree Mall
Mildura VIC 3500

ANNUAL STATEMENTS GIVE TRUE AND FAIR VIEW OF FINANCIAL POSITION AND PERFORMANCE OF INCORPORATED ASSOCIATION

We, Ryan Hammerton and Cassandra Circosta, being members of the committee of Mildura City Heart Incorporated, certify that –

The statements attached to this certificate give a true and fair view of the financial position and performance of Mildura City Heart Incorporated during and at the end of the financial year of the association ending on 30 June 2016.

Signed:



.....
Ryan Hammerton – Chair

Signed:



.....
Cassandra Circosta – Treasurer

Dated this 18th day of October 2016

The Chairman
Mildura City Heart Inc.
132C Eighth Street
MILDURA VIC 3500

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
MILDURA CITY HEART INCORPORATED**

Scope

We have audited the financial report of the Mildura City Heart Incorporated for the period ended 30 June 2016. The Committee is responsible for the financial report and we have conducted an independent audit of the financial report in order to express an opinion on it, to the members.


The financial report has been prepared for the purpose of fulfilling the requirements of the *Associations Incorporation Reform Act 2012 (Vic)*. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

Our audit has been conducted in accordance with Australian Auditing Standards. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with the accounting policies described in Note 1.

Audit Opinion

In our opinion, the financial report presents fairly in accordance with the accounting policies described in Note 1 to the financial statements, the financial position of Mildura City Heart Incorporated as at 30 June 2016 and the results of its operations for the year then ended.

One2one Accountants & Business Advisers



Rob Court
20th October, 2016

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