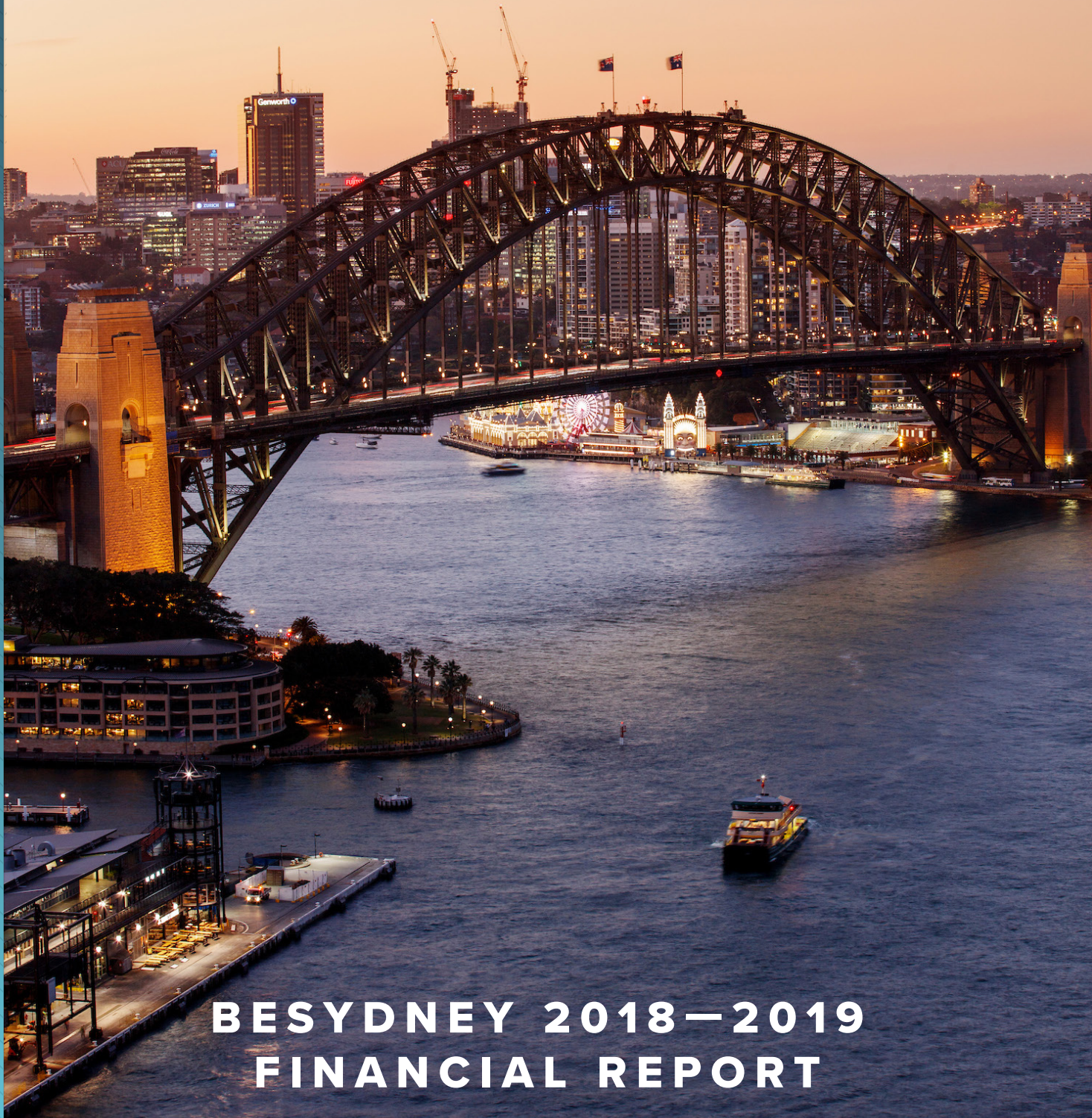




BUSINESS EVENTS  
SYDNEY



# BESYDNEY 2018—2019 FINANCIAL REPORT

ABN 42 002 630 364





# TABLE OF CONTENTS

Directors' Report	4
Auditor's Independence Declaration	13
Independent Audit Report	14
Directors' Declaration	16
Statement of Surplus or Deficit and Other Comprehensive Income	17
Statement of Financial Position	18
Statement of Changes in Funds	19
Statement of Cash Flows	20
Notes to the Financial Statements	21



# DIRECTORS' REPORT

The directors present their report on Business Events Sydney Limited (BESydney) for the financial year ended 30 June 2019.

## 1. General information

The names of the directors in office at any time during, or since the end of, the year are:

The Hon. Bruce Baird AM

Mr Bran Black

Mr Peter Grey

Dr Marlene Kanga AM

Ms Sandra Chipchase

The Hon. Patricia Forsythe AM *Resigned 31/12/2018*

Mr Scott Boyes

Mr James Granter

Ms Andrea Werner *Resigned 4/10/2018*

The Hon. George Souris AM *Appointed 01/01/2019*

Mr Malcolm Zancanaro *Appointed 17/10/2018*

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

### The Hon. Bruce Baird AM

**Term of Office:** Independent Director and Chair of the Board since Sep-2017.

**Independent:** Yes.

**Current directorships:** Nil.

**Other interests:** Chair of Advisory Board of Screen Producers Australia. Member of Cubic Transportation International Advisory Board. Board Member of the Heart Research Institute.

**BESydney Board Committee membership:** Finance Risk & Audit Committee; Governance Nomination and Remuneration Committee.

**Skills, experience and expertise:** Bruce Baird's professional career has spanned the Australian Trade Commission service and the NSW and Federal Parliaments. He was the Federal member for Cook for nine years and during that time he was Chairman of both the Trade Committee and the House Standing Committee on Economics. He previously held roles as NSW Minister for Transport, Tourism, Roads and Minister for Sydney's Olympic Bid. Prior to this he was Australia's Assistant Trade Commissioner in Germany and Trade Commissioner in New York. Prior Board positions include Chair of the National Rail Corporation, Chair of the Tourism and Transport Forum, Chair of the National Heavy Vehicle Regulator and Board Member of Sydney Theatre Company. Bruce is an experienced board member and provides a



unique perspective on supporting BESydney's efforts to secure global events that generate trade and industry growth.

### Mr Bran Black

**Term of Office:** Independent Director since Jun-2018.

**Independent:** Yes.

**Current directorships:** Director of LawAccess NSW, Director of Lifeline Northern Beaches.

**Other interests:** Nil.

**BESydney Board Committee membership:** Chair of the Governance, Nomination and Remuneration Committee.

**Skills, experience and expertise:** Bran Black is the Chief of Strategic Initiatives at UNSW. Bran was previously CEO of the NUW Alliance, a joint venture between the Universities of Newcastle, NSW and Wollongong, and Chief of Staff to the NSW Attorney General and the NSW Environment and Heritage Minister. Bran commenced his career as a corporate lawyer before being appointed General Counsel for the NSW Liberal Party in 2011 and, subsequently, General Manager of Commercial Operations at Evolve Housing in 2014. He has served as chair of the Inner-City Legal Centre and also volunteers his time as a patrol captain at Manly Life Saving Club. He graduated from Sydney University in 2003 with an honour's degree in Law and a degree in Arts.



### Mr Peter Grey

**Term of Office:** Director since Jun-2018.

**Independent:** Yes.

**Current directorships:** Chair, MLC Ltd.

**Other interests:** Senior Advisor International, Link Group; Member of the Board of the European Australian Business Council and the Australian Japan Business Cooperation Committee, and a member of the Asia Society Advisory Council and the Centre for Strategy and Governance.

**BESydney Board Committee membership:** Chair of the Finance, Risk and Audit Committee.

**Skills, experience and expertise:** Peter Grey has extensive experience in foreign policy, trade and international commercial issues. As well as being a former Australian



Trade and Investment Commission (Austrade) CEO, Mr Grey held a range of senior positions including Deputy Secretary of the Department of Foreign Affairs and Trade; Ambassador to Japan, the European Union, and the World Trade Organization; and Chief Trade Negotiator and Ambassador for APEC. Mr Grey has a Bachelor of Economics (Hons) from Sydney University and an MBA from Stanford University.

### Dr Marlene Kanga AM,

*Hon. FIEAust, Hon. FICHEME, FTSE.*

**Term of Office:** Independent Director since Sep-2017.

**Independent:** Yes.

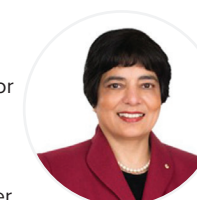
**Current directorships:** Sydney Water Corporation, AirServices Australia, iOmniscient Pty. Ltd.

**Other interests:** Honorary Fellow, Engineers Australia, Honorary Fellow, Institution of Chemical Engineers (UK), Fellow, Academy of Technology and Engineering (Australia), Fellow, Australian Institute of Company Directors.

**BESydney Board Committee membership:** Finance Risk & Audit Committee.

**Skills, experience and expertise:** Dr Marlene Kanga is an experienced business leader and non-executive director with more than 30 years' experience in the chemical and process industry in Australia and New Zealand.

A past national president of Engineers Australia, she is the President of the World Federation of Engineering Organizations, representing 100 nations and is well connected with the international leaders in science and technology that could hold events in Sydney. She has been recognised for her contribution to engineering as a Member of the Order of Australia.



### Ms Sandra Chipchase

**Term of Office:** DNSW nominated Director since Nov-2011.

**Independent:** No.

**Current directorships:** Destination NSW.

**Other interests:** Member of the NSW Australia Day Committee, Member for the NSW Government Steering Committee for the Sydney International Convention, Exhibition and Entertainment Precinct, Member of the Theatre Royal Project Steering Committee and Member of the Circular Quay Precinct Steering Committee.

**BESydney Board Committee membership:** Nil.

**Skills, experience and expertise:** Sandra is CEO of Destination NSW, the State Government's tourism and major events agency, and is Executive Producer of Vivid Sydney - Australia's largest event. Sandra brings a wealth



of experience in international and domestic tourism and business and major events marketing, acquisition and management.

Her past roles have included; senior positions with Tourism Australia in Frankfurt, Chicago and New York; General Manager Marketing at Sydney Convention and Visitors Bureau (now Business Events Sydney); Executive Director Commercial with Sydney Harbour Foreshore Authority; Executive Director for Australia at World EXPO 2000 and CEO of Melbourne Convention and Visitors Bureau.

Sandra is co-author of the National Business Events Strategy and the NSW Visitor Economy Taskforce Report. She has received an award from Sony Music Australia for creativity and innovation, and Meetings & Events Australia's national Outstanding Industry Contribution Award.

### The Hon. George Souris AM

**Term of Office:** DNSW nominated Director since Jan-2019.

**Independent:** No.

**Current directorships:** President State Library Council of NSW, Chairman of the NSW Mine Safety Council, Chairman elect of the Board of the Upper Hunter Development Corporation. Directorships of State Library Foundation, Destination New South Wales, Director of Racing New South Wales, the Australian Rugby Foundation, Australian Film Institute | Australian Academy of Cinema & Television Arts.

**Other interests:** Trustee of the Sir Earle Page Memorial Trust, Member of the NSW Arts and Culture Advisory Committee, Member State Library Audit & Risk Committee.

**BESydney Board Committee membership:** Nil.

**Skills, experience and expertise:** A Minister in three governments in NSW including as Minister for Finance, Tourism, Major Events and Hospitality and Minister for the Arts. In a career of seven years in local government and 27 years in the NSW Parliament he has held thirteen ministerial portfolios and a similar number in Opposition. He is a past Leader of the NSW Parliamentary National Party.

He was the Minister responsible for the public float of GIO Insurance and in arts and tourism for events such as Opera on Sydney Harbour.

He has a B.Ec and holds a postgraduate Diploma in Financial Management. He is also a FCPA and FAIM. A past Chairman of the NSW Parliament Superannuation Fund.

As the President of the Library Council of NSW he is responsible for the transformation of the State Library as an exhibitor of the treasures and heritage it holds. He is the former Chairman of the Hunter Valley Wine and Tourism Alliance. He is a former representative rugby player for NSW Country, combined Australian Universities and the Australian U/23 rugby teams and was awarded a full University Sports Blue.



# DIRECTORS' REPORT

Prior to entering Parliament Mr Souris was a principal in an accounting practice in the Hunter Valley.

Commerce. He has a Master of Business Administration majoring in General Management.

## Mr Scott Boyes

**Term of Office:** Member Director since Oct-2012.

**Independent:** No

**Current directorships:** Nil

**Other interests:** Blue Mountains International Hotel Management School Industry Advisory Board, Accommodation Association State Advisory Board, AccorHotels Community Fund Board member.

**BESydney Board Committee membership:** Nil

**Skills, experience and expertise:** Scott Boyes is Vice President Operations NSW / ACT for Accor. Previously, Scott was Regional General Manager of Accor in Victoria, Tasmania and South Australia. An experienced hotelier, Scott has worked in the hospitality industry since 1992, commencing his career with Accor Asia Pacific in 1994 upon graduation from the Blue Mountains International Hotel Management School.

In 2005, he was one of three people from Australia and New Zealand to be awarded the prestigious Accor Bernache Award for his achievements in financial performance. The Bernache Award is the highest individual award within Accor, globally recognising individual performance throughout the group, which employs over 250,000 people worldwide.

Scott has been proud to represent the accommodation / hotel sector on the BESydney board since 2012.

## Mr James Granter

**Term of Office:** Member Director since Nov-2017.

**Independent:** No.

**Current directorships:** Nil.

**Other interests:** Vice President, North Sydney Chamber of Commerce; Tourism Councillor, NSW Business Chamber; Member, Australian Institute of Company Directors.

**BESydney Board Committee membership:** Nil

**Skills, experience and expertise:** James Granter is the General Manager, Sales, of Luna Park Sydney. As GM of a major Australian private event and tourism provider operating on Government land, Mr Granter has extensive experience in managing and communicating with a diverse range of public and private sector stakeholders and is actively engaged with Federal, State and Local Government, community and key stakeholders. Mr Granter is a Tourism Councillor with the NSW Business Chamber and Vice President of the North Sydney Chamber of



## Mr Malcolm Zancanaro

**Term of Office:** Member Director since Oct-2018

**Independent:** No

**Current directorships:** Nil

**Other interests:** NA

**BESydney Board Committee membership:** Nil

**Skills, experience and expertise:**

Malcolm Zancanaro comes to BESydney's Board with over 28 years' experience over 13 locations across Australia and Internationally at Hyatt. His key skills include strategic thinking, accounting and finance, and legal and risk management. He believes curiosity, empathy and creativity are key for his approach in developing strategy. Malcolm's current role is General Manager of the Hyatt Regency Sydney, Australia's largest event hotel.



## Independent Member to Board Committee

### Mr John Kelly

**Term of Office:** Independent Member of Finance Risk and Audit Committee since Jan-2014.

**Independent:** Yes.

**Current directorships:** Nil.

**Other interests:** Member of the Australian Institute of Company Directors, Independent Member on the Audit and Risk Management Committees for the NSW Clinical Excellence Commission and the NSW Agency for Clinical Innovation.

**BESydney Board Committee membership:** Finance Risk & Audit Committee.

**Skills, experience and expertise:** John Kelly was CFO of the Sydney Convention and Exhibition Centre from 2002 to 2013. He is a graduate in Hotel and Catering Management and holds an MBA from Trinity College Dublin. He has worked in the hotel and catering industry in financial and operational positions including internal auditor of Mecca Leisure PLC and finance executive with Whitbread PLC.

Prior to joining the Centre, he worked for WagonLits, part of the Accor Group, and was instrumental in establishing the catering operation for the Eurostar highspeed train. During 2016 he worked for the NSW State Government, advising on the operational readiness of ICC Sydney.

John has worked as a consultant in the convention and exhibition industry for projects in Australia, New Zealand and India and currently works in the KPMG Risk Assurance/ Advisory Team.



## The following person held the position of Company secretary at the end of the financial year:

Ms Sonya Stewart, who is also the Chief Financial Officer of the Company, has held this position since November 2005.

## Members guarantee

Business Events Sydney Limited 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 member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$50, subject to the provisions of the Company's constitution.

At 30 June 2019 the collective liability of members was \$7,550 (2018: \$ 7,700).

## Principal activities

The principal activities of Business Events Sydney Limited during the financial year were:

- the attraction of business events to NSW to deliver economic, strategic and social benefits for Sydney, NSW, Australian and global communities;
- the provision of customised specialist event bidding services;
- partnering with public and private sector stakeholders to maximise the benefits to the economy and the community.

No significant changes in the nature of the Company's activities occurred during the financial year.

## Short and long term objectives

BESydney establishes short and long term objectives aligned to its Purpose Statement, which is set out below:

*BESydney provides customised specialist bidding services, partnering with a diverse range of public and private sector stakeholders, to secure international business events that deliver economic, strategic and social benefits for Sydney, NSW, Australian and global communities.*

The organisation goals of BESydney are:

- achievement of targeted hosting outcomes for events held in the current year;
- achievement of targeted bidding outcomes for events held in current and future years;
- ensuring our people have the professional skills and competencies to enable achievement of our purpose;
- maintaining organisational sustainability and good governance.

In line with best practice, the Company regularly reviews and updates its activities through its annual business plan process, to ensure a successful alignment with our organisational purpose and operational plans.

## 2. Operating results and review of operations for the year

### Operating results

The surplus of the Company after providing for income tax amounted to \$ 29,928 (2018: \$ 38,910). No income tax expense is charged or is payable as the Company claims an exemption from income tax under Income Tax Assessment Act.

The company's financial result of a surplus of \$29,928 for the 2018/19 financial year represents a continuation of the balanced budget approach of recent years. As a not-for-profit organisation, the Company strives to invest all its annual revenue into a variety of activities in pursuit of its core objectives, with a small financial surplus being the targeted financial outcome.

The NSW government is the major funder of BESydney, with support also provided by industry members in the form of subscription revenue, cooperative marketing support and other in-kind support.

Bidding for business events is increasingly complex and sophisticated, requiring the retention of a highly skilled team of specialists. Employee costs account for 64% of total expenditure. Marketing activities continue to be focused around building brand awareness, strengthening Sydney's profile and reputation as a premier global meetings destination, and creating more opportunities for local and international profiling.

The Company's financial reserves at the end of the financial year are strong, at just over \$1.6m.

### Review of operations

Backed by Government, industry and academia, BESydney bids to secure global meetings for Sydney and Australia. The Company operates in an international, highly competitive environment which is influenced by external global factors including economic conditions, natural disasters and geo-political environment. It seeks to manage these risks with a diversified target market and industry strategy, with resources allocated to securing events across three key sectors - international association meetings, corporate meetings and corporate incentive programs. It operates in three key geographical markets, being Asia Pacific, Europe and North America.

With an annual business planning process and regular board review, the company adjusts its strategy for emerging risks and opportunities in the operating environment.

#### i. Events Secured

During 2018-19 BESydney secured 92 global meetings which are expected to attract 59,000 delegates staying 271,000 delegate days and generate in excess of an estimated \$233 million in direct expenditure to the State's economy. Listed below are some highlight events secured during the year.



# DIRECTORS' REPORT

- **World Conference on Family Doctors – WONCA 2022**

Bringing together 4,300 professionals from academia and industry staying 17,200 delegate days and generating an estimated \$11m in direct expenditure, while discussing the diverse disciplines of family medicine.

- **International Society of Physical Rehabilitation Medicine World Congress 2022**

Leaders and influencers in psychiatry and rehabilitation medicine meeting to share scientific learnings and career advancement opportunities. This congress will attract 2,500 delegates staying 12,500 delegate days and generating an estimated \$8m in direct expenditure.

- **World Congress on Safety and Health at Work -ISSA-ILO 2023**

The largest and most important international event focusing on workplace safety and health (WSH), attracting 3,000 delegates staying 12,000 delegate days and generating an estimated \$10m in direct expenditure.

- **ICME15 International Congress on Mathematical Education 2024**

The meeting point for mathematics educators, curriculum developers, mathematicians, researchers in mathematics education, teachers, teacher educators and resource producers. Attracting 2,800 delegates staying 22,400 delegate days and generating an estimated \$16m in direct expenditure.

- **Amway Japan Leadership Achievement Seminar 2020**

2,500 distributors staying 12,500 delegate days and generating an estimated \$12m in direct expenditure.

## ii. Events Held

88 global meetings previously secured by BESydney were delivered in 2018-19, attracting 58,000 delegates staying 242,000 delegate days which generated in excess of an estimated \$228m in direct expenditure to the State's economy. Listed below are some highlight events held during the year:

- **SIBOS – Swift International Banking Operations Society 2018:** the world's largest financial services conference in October 2018 attracted over 7,500 delegates from the global finance community (30,000 delegate days) spending an estimated \$40m in direct expenditure, and positioning Sydney as an APAC financial services hub.
- **World Congress of Accountants** attracted over 3,700 international and local accountants, government officials, academics, policy makers, and top-level representatives of the global business community to Sydney (15,000 delegate days), spending an estimated \$11m in direct expenditure in November 2018.
- **World Forum for Foreign Direct Investment**, June

2019: of strategic significance to the state, this is the leading global gathering for cross-border investment, and attracted over 300 business leaders and senior government officials from around the world (930 delegate days) spending an estimated \$2m in direct expenditure.

- **BWL International Convention**, May 2019: brought 4,500 delegates to Sydney (23,000 delegate days) and generated an estimated \$25 million for the local economy.

### iii. Marketing and Communications activities

BESydney continued to build brand awareness, strengthen Sydney's profile and reputation as a premier global meetings destination, and create more opportunities for local and international profiling. Special focus was given to a brand refresh; BESydney 50th Anniversary; and moving across to a digital first approach.

#### BESydney brand refresh

At our Annual General Meeting in October 2018, BESydney launched a refreshed brand narrative and visual identity. The new branding is an evolution to more accurately reflect BESydney's future-focussed strategy and the more contemporary approach we are taking to storytelling – both about Sydney as a host destination, as well as BESydney as a strategic bidding services expert partner.

The new visual identity is designed for today and tomorrow's astute customer. This is best reflected in our new website, launched during the year and supported with new sales and marketing tools which have been designed with the user experience at front of mind. Easy navigation and easy-to-find and understand information, that is designed to move the user through the site and highlight our organisation's key value proposition for our industry and client stakeholders alike.

#### BESydney 50th anniversary

BESydney celebrated its 50th Anniversary milestone in 2019. A program of celebratory initiatives was developed to highlight the organisation's strength, longevity and history of innovation and excellence under the theme "Anticipating Tomorrow". Initiatives were tailored to deepen engagement with stakeholders from staff, to Government, local industry partners and global and Australian clientele. New content was captured from all these activities to be utilised in online and offline channels well beyond 2019. Initiatives in FY18/19 included:

- **50th Anniversary marque** – incorporated across all internal and external materials to raise awareness of the anniversary.
- **Industry Roundtable, May 2019** – A gathering of a small group of government, industry and business stakeholders to represent the many who have contributed to BESydney's 50 years of anticipating tomorrow and growing the meetings industry in Sydney.
- **50th Anniversary Asian Sydney familiarisation visit:**

Suite of branded materials to theme this important pipeline building activity, supported by trade media coverage across target markets.

- **IMEX Frankfurt, May 2019** – Theming for BESydney's activities at this major tradeshow on our calendar. Including speaking roles and media interviews for CEO and sales representatives.

#### Digital-first

In line with global best practice, BESydney began to implement a digital-first approach to all marketing activity. Not only contributing to improved sustainability outcomes within our business, an even greater benefit is the data insights that can be gained into the organisation's engagement with clients and stakeholders alike. The major areas of focus for the digital-first approach included:

- **Refreshed website** – The website refresh project with its close focus on the user experience, helped us identify new ways to add value for our industry partners, including increased prominence of the popular Find a Supplier functionality to drive business directly. The focus is now on building traffic to the site. In the longer term, new insights into customer behaviour and engagement will also support the organisation's sales function.
- **Brochureware** – steadily moving BESydney marketing brochures across to digital platforms, where the market is ready.
- **Content marketing & social media** – In line with this growing trend BESydney explored opportunities to share its new narrative with larger audiences across a range of online channels. These included: blog pieces, native content, opinion pieces, editorial stories, newsletter articles, video, podcasts, case studies and testimonials. An increased focus on social media has slowly begun to build engagement with our content across all channels, with the goal to support bid and stakeholder engagement outcomes.

#### Destination marketing

BESydney continued to showcase Sydney as a premier global meetings destination via key destination marketing activities both internationally and domestically.

- Ongoing **trade media** story placement with new imagery, new product and new storytelling.
- **IMEX Las Vegas, September 2018** – Sydney stand shared with ICCSydney.
- **IMEX Frankfurt, May 2019** – Sydney stand shared with ICCSydney.
- **Sydney Speaker Series** – Annual series of client engagement events continued to raise Sydney's profile in international markets, as well as profiling Team Sydney's expertise.
  - › **London, November 2018:** Undertaken in partnership with ICC Sydney, BESydney targeted decision-makers to hear the latest on Sydney and

be treated to a presentation at Australia House by The Right Honourable Baroness Amos CH PC, Director of SOAS, University of London, and former British High Commissioner to Australia.

- › **San Francisco, March 2019:** VIP guests were treated to an exclusive opportunity to meet with BESydney Global Ambassador, Dr Chris Boshuizen.

- **Advertising** – Raising the profile of Sydney as a leading global meetings destination, BESydney's advertising initiatives focused on a program of broader international and domestic BESydney brand awareness. Targeted campaigns were scheduled across both industry and mainstream press, including: Harvard Business Review (podcast and banner advertising), IMEX Daily (IMEX Frankfurt), Qantas InFlight, and Company Director (AICD).
- **Marketing partnership with Tourism Australia** – BESydney was successful in confirming support for two digital and social media projects via Tourism Australia's business events unit, Business Events Australia's Advance Program. This program supports marketing projects that will grow consideration of Australia as a business events destination, and deliver best practice marketing to grow international visitation to confirmed business events taking place in Australia.

#### Membership acquisition campaign

The annual membership campaign was the most successful yet in raising awareness of BESydney's value proposition, and generating leads to engage prospective members.

#### Awards and accolades

- Sydney remained the top Australian city for global meetings in the (ICCA) City Rankings
- Sydney continued to maintain Australia's leading city position in the Union of International Associations (UIA) rankings, holding the 19th position globally.

#### Stakeholder engagement

The optimisation of the economic, strategic and social benefits of business events for the community requires the support and active participation of a diverse range of stakeholders including academia, the not-for-profit sector, government (Local, State and Commonwealth) and corporate industry leaders. Engagement with these stakeholders supports the BESydney's industry sector bidding teams to identify the legacy opportunities presented by each event, and access the expertise and networks required to successfully bid for that event to be held in NSW. Our activities are supported by our NSW Government partners, Destination NSW and Place Management NSW, the City of Sydney and major partners AccorHotels and Qantas.

A series of events and communication touchpoints were conducted with strategic partners and members



# DIRECTORS' REPORT

throughout the year to encourage collaboration, share insights and strengthen industry stakeholder relationships. These included:

- **Biannual update event for strategic partners** – Held September 2018 and March 2019, this event provides an update for partners on BESydney's key strategic initiatives and priorities, as well as an insight into BESydney's results and pipeline of confirmed business.
- **CEO Roundtable Luncheon for strategic partners** – Held July 2018, this event for senior-level representatives of BESydney's strategic partners provides a forum to encourage discussion and dialogue as 'Team Sydney' on relevant industry issues. The event was attended by The Hon. Minister Adam Marshall MP, then Minister for Tourism and Major Events.
- **International market briefing for strategic partners** – Held May 2019, BESydney's global team across Asia, Europe and Americas shared their insights and knowledge of the global meeting and incentive market environment with partners.
- **Annual industry briefing and networking event** – Following the formal proceedings at the 2018 AGM in October, strategic partners and members were provided an industry briefing from Derek Francis, Executive Director, NSW Department of Industry on the NSW Government's recently released Visitor Economy Industry Action Plan 2030. BESydney CEO Lyn Lewis-Smith facilitated a Q&A session to explore the implications and opportunities presented by the Plan for the global meetings industry. An informal networking reception for strategic partners and members concluded the event.
- **Bi-monthly membership engagement sessions** – Available to all members and strategic partners, this session provides an introduction to BESydney and training on the partner community portal for new members or induction of new contacts.
- **BESydney Buzz newsletter** – Three editions were distributed between July 2017 – June 2018. This newsletter provides partners and members with information regarding key BESydney activity and initiatives, bid wins, industry news and partner updates, as well as communication from the BESydney Member Directors.

## Ambassadors Dinner

Our Ambassadors Dinner was held in November 2018. This annual event is dedicated to honouring our network of Global Ambassadors, and this year included the induction of nine new Ambassadors to the Program.:

- Melanie Brock, Chair Emeritus, Australia NZ Chamber of Commerce in Japan (Tokyo)
- Joseph Carrozzi, Managing Partner, Sydney, PwC Australia

- Professor Carol Pollock, Chair, Bureau of Health Information
- Jim Prendergast, past Executive Director Chief Operating Officer, IEEE (New York)
- Ann Sherry AO, Executive Chairman, Carnival Australia
- Gabrielle Trainor AO, Board, Infrastructure Australia; Board of Trustees, Western Sydney University
- Peter Osborne, Managing Director Asia, Blackmores International (Singapore/ Taipei)
- Andrew Macintosh, Chairman, Acorus and AustCham Hong Kong and Macau (Hong Kong)
- Dr Chris Boshuizen, Operating Partner Data Collective VC (San Francisco).

The Hon. Minister Adam Marshall MP, NSW Minister for Tourism and Major Events attended on behalf of the NSW Premier and Patron of the Ambassador Program, The Hon. Gladys Berejiklian MP and the Australia Oration was delivered by Gail Kelly, former CEO, Westpac. This was followed by an in-depth conversation with former Commonwealth Scientific and Industrial Research Organisation (CSIRO) Chair and BESydney Global Ambassador, David Thodey AO. Our Venue Partner was the International Convention Centre Sydney (ICC Sydney), and our Dinner Partner, First State Super.

## Research program

### Quality Assurance Research

BESydney annually conduct third party quality assurance research to evaluate the professional services they provide to their clients and stakeholders; and to use the knowledge and learnings to improve their services.

This research enables quantitative measurement and qualitative narratives to be obtained across four key stakeholder groups: strategic partners, members, government contacts and clients, across varying stages and aspects of the business. A sample of 94 interviews were conducted in April-June this year.

Results this year were outstanding, with a summary of key measures noted below:

- Engagement is very strong at 86 and is at Best Practice levels
- A very strong overall Net Promoter Score (NPS®) result of +60 and is at Best Practice levels
- Market Image 88% positive and is at Best Practice levels
- Overall Satisfaction Mean Score 82
- Recommendation Mean Score 89 and is at Best Practice levels

	Market Image (% Positive)	Overall Satisfaction Mean Score	Recommendation Mean Score	Engagement Index (ACE <sup>®</sup> )	Net Promoter Score (NPS <sup>®</sup> )
<b>2019 Overall</b>	88% positive	82	89	86	+60
	Initial disposition/ sentiment	Overall customer satisfaction	Loyalty	Customer engagement/ focus	Loyalty/advocacy
<b>Best Practice (B2B) Benchmarks</b>	85%+ positive	84+	85+	85+	>+50

## 3. Other items

### Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Company during the year.

### Events after the reporting date

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

### Environmental issues

The Company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

BESydney continues to be an active associate member of City of Sydney's Sustainable Destination Partnership launched in 2018. The program continues to identify ways for businesses from the accommodation and entertainment sector to become greener through environmental ratings, increased use of renewable energy, reduced water use and improved waste management and recycling. BESydney's role is as an advisor and influencer.

### Meetings of directors

During the financial year, 5 meetings of directors were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
The Hon. Bruce Baird AM (Chair)	5	5
Mr Bran Black	5	5
Mr Peter Grey	5	4
Dr Marlene Kanga AM	5	4

	Directors' Meetings	
	Number eligible to attend	Number attended
The Hon. George Souris AM	2	2
Ms Sandra Chipchase	5	5
The Hon. Patricia Forsythe AM	3	3
Mr Scott Boyes	5	5
Mr James Granter	5	5
Ms Andrea Werner	2	2
Mr Malcolm Zancanaro	3	3

## Board SubCommittees

### Finance Risk & Audit Committee (FRAC)

The FRAC consists of three members including two Independent Directors and one independent non-executive member. Meetings are also attended by the BESydney Chair, Chief Executive Officer and Chief Financial Officer.

The FRAC is appointed by the BESydney Board. The Committee's Charter is to assist the Board in the effective discharge of its governance responsibilities in the following areas:

- Review and monitor the integrity of BESydney financial reports and statements;
- Review and make recommendations regarding the adequacy and integrity of BESydney enterprise risk management framework, systems of internal control and risk management processes;
- Review whether BESydney is in compliance with relevant laws and regulations; and
- Monitor the scope, performance and independence of the external auditor.

The Committee reports to the Board on any significant matters arising from its meetings.



## DIRECTORS' REPORT

During the financial year, five meetings of the FRAC were held. Attendances by each director and the independent member during the year were as follows:

	FRAC Meetings	
	Number eligible to attend	Number attended
Mr Peter Grey (Chair)	5	5
The Hon. Bruce Baird AM	5	5
Dr Marlene Kanga AM	5	4
Mr John Kelly	5	5

### Governance, Nomination and Remuneration Committee (GNRC)

The GNRC consists of 2 Independent Directors. Meetings are also attended by the Chief Executive Officer and Chief Financial Officer.

The GRNC is appointed by the BESydney Board. The Committee's Charter is to assist the Board in the effective discharge of its governance responsibilities in the following areas:

- Board composition, structure, organisation and remuneration
- Senior executive selection, performance and remuneration
- Human resources matters.

The Committee reports to the Board on any significant matters arising from its meetings.

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

	GNRC Meetings	
	Number eligible to attend	Number attended
Mr Bran Black (Chair)	6	6
The Hon. Bruce Baird AM	6	6

### Indemnification and insurance of directors and officers

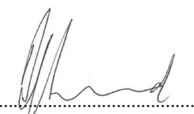
During the year the Company paid a premium to insure the directors and officers of the Company.

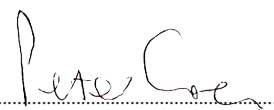
The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the directors in their capacity as directors of the entity and any other payments arising from liabilities incurred by the directors in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the directors or the improper use by the directors of their position or of any information to gain advantage for themselves or someone else to cause detriment to the entity.

### Auditor's independence declaration

The lead auditor's independence declaration in accordance with subdivision 60C of the Corporations Act 2001, for the year ended 30 June 2019 has been received and can be found on page of the financial report.

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

Director:   
The Hon. Bruce Baird AM

Director:   
Mr Peter Grey

Dated: 16 September 2019

## AUDITOR'S INDEPENDENCE DECLARATION

### Auditor's Independence Declaration under section 307C of the Corporations Act 2001 to the Directors of Business Events Sydney Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2019, there have been:

- no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.



**Cutcher & Neale Assurance Pty Ltd**

(An authorised audit company)



**Mark O'Connor**

Director

16th September 2019

NEWCASTLE



# INDEPENDENT AUDIT REPORT TO THE MEMBERS OF BUSINESS EVENTS SYDNEY LIMITED

## Report on the Audit of the Financial Report

### Opinion

We have audited the financial report of Business Events Sydney Limited (the Company), which comprises the statement of financial position as at 30 June 2019, the statement of surplus or deficit and other comprehensive income, the statement of changes in funds and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the Company is 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 2019 and of its financial performance for the year ended; and

(ii) complying with Australian Accounting Standards Reduced Disclosure Requirements and the Corporations Regulations 2001.

### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, 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.

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

### Other Information

The Directors are responsible for the other information. The other information obtained at the date of this auditor's report was limited to the Directors Report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Directors for the Financial Report

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

In preparing the financial report, the Directors are responsible for assessing the 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 the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### Auditor's Responsibilities for the Audit of the Financial Report

Our objectives 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 our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of the auditor's report.



**Cutcher & Neale Assurance Pty Ltd**

(An authorised audit company)



**M.J.O'Connor**

Partner

NEWCASTLE



## DIRECTORS' DECLARATION

### The Directors of the entity declare that:

1. The financial statements and notes, as set out on pages 20 to 40, are in accordance with the Corporations Act 2001 and:

(a) comply with Australian Accounting Standards Reduced Disclosure Requirements; and

(b) give a true and fair view of the financial position as at 30 June 2019 and of the performance for the year ended on that date of the entity.

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 

The Hon. Bruce Baird AM  
Director

Director 

Mr. Peter Grey  
Director

Dated 16th September 2019

## STATEMENT OF SURPLUS OR DEFICIT AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 \$	2018 \$
Revenue	2	11,704,470	11,626,159
Occupancy expense		(514,324)	(518,536)
Employee costs		(7,508,929)	(7,299,276)
Depreciation and amortisation expense		(253,331)	(236,161)
Sales & Marketing expense		(1,852,641)	(2,148,648)
Administration expense		(1,545,317)	(1,384,629)
<b>Surplus / (deficit) before income tax</b>		<b>29,928</b>	<b>38,909</b>
Income tax expense	1(d)	-	-
<b>Surplus / (deficit) after income tax</b>		<b>29,928</b>	<b>38,909</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>29,928</b>	<b>38,909</b>



## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

	Note	2019 \$	2018 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	3	11,024,689	11,215,900
Trade and other receivables	4	1,279,681	532,544
Prepayments		212,540	121,495
<b>TOTAL CURRENT ASSETS</b>		<b>12,516,910</b>	<b>11,869,939</b>
<b>Non-current assets</b>			
Trade and other receivables	4	-	55,310
Property, plant and equipment	5	283,030	407,358
<b>TOTAL NON-CURRENT ASSETS</b>		<b>283,030</b>	<b>462,668</b>
<b>TOTAL ASSETS</b>		<b>12,799,940</b>	<b>12,332,607</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	6	2,240,949	2,222,887
Employee benefits	7	799,192	773,393
Other liabilities	8	772,144	7,280,983
<b>TOTAL CURRENT LIABILITIES</b>		<b>10,812,285</b>	<b>10,277,263</b>
<b>Non-current liabilities</b>			
Trade and other payables	6	-	82,967
Employee benefits	7	230,698	248,766
Long term provisions	9	113,668	110,250
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>344,366</b>	<b>441,983</b>
<b>TOTAL LIABILITIES</b>		<b>11,156,651</b>	<b>10,719,246</b>
<b>NET ASSETS</b>		<b>1,643,289</b>	<b>1,613,361</b>
<b>FUNDS</b>			
Accumulated Funds		1,643,289	1,613,361
<b>TOTAL FUNDS</b>		<b>1,643,289</b>	<b>1,613,361</b>

The accompanying notes form part of these financial statements.

## STATEMENT OF CHANGES IN FUNDS FOR THE YEAR ENDED 30 JUNE 2019

2019	Accumulated Funds \$
Balance at 1 July 2018	1,613,361
Surplus for the year	29,928
<b>Balance at 30 June 2019</b>	<b>1,643,289</b>

2018	Accumulated Funds \$
Balance at 1 July 2017	1,574,452
Surplus for the year	38,909
<b>Balance at 30 June 2018</b>	<b>1,613,361</b>

The accompanying notes form part of these financial statements.



## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 \$	2018 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from government contributions, membership subscriptions, co-operative activities and other grants		12,307,751	14,189,471
Payments to suppliers, contractors and employees		(12,602,791)	(12,222,684)
Interest received		232,832	212,400
Net cash provided by (used in) operating activities	11(a)	<b>(62,208)</b>	<b>2,179,187</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Purchase of property, plant and equipment	5(a)	(129,003)	(87,738)
Net cash used by investing activities		<b>(129,003)</b>	<b>(87,738)</b>
Net increase (decrease) in cash and cash equivalents held		(191,211)	2,091,449
Cash and cash equivalents at beginning of year		11,215,900	9,124,451
Cash and cash equivalents at end of financial year	3	<b>11,024,689</b>	<b>11,215,900</b>

The accompanying notes form part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

The financial statements are for Business Events Sydney Limited as an individual entity, incorporated and domiciled in Australia. Business Events Sydney Limited is a not for profit Company limited by guarantee.

The functional and presentation currency of Business Events Sydney Limited is Australian dollars.

### 1 Summary of Significant Accounting Policies

#### (a) Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards Reduced Disclosure Requirements and the Corporations Act 2001.

The significant accounting policies used in the preparation and presentation of these financial statements are provided below and are consistent with prior reporting periods unless otherwise stated.

The financial statements are based on historical costs.

The financial report was authorised for issue by the Directors on 16 September 2019.

#### (b) Changes in Accounting Policy adoption of AASB 9

The Company has applied AASB 9 Financial Instruments from 1 July 2018.

AASB 9 Financial Instruments replaces the provisions of AASB 139 Financial Instruments that relate to the recognition, classification and measurement of financial assets and financial liabilities, including derecognition and impairment. AASB 9 also amends other standards dealing with financial instruments such as AASB 7 Financial Instruments: Disclosures.

The adoption of AASB 9 did not result in a significant change to the recognition or measurement of financial instruments for the Company as presented in the financial report.

On adoption of AASB 9 Business Events Sydney Limited has reclassified its financial assets as subsequently measured at amortised cost or fair value depending on the business model for those assets and the contractual cash flow characteristics. There was no change in the classification or measurement of financial liabilities.

The principal impact on Business Events Sydney Limited's financial assets at 1 July 2018 are:

- the reclassification of the trade receivables from 'loans and receivables' under AASB 139 to 'financial assets at amortised cost' under AASB 9. This did not change the balance of trade receivables recognised in the comparative year.
- the reclassification of the other financial assets from 'held to maturity' under AASB 139 to 'financial assets at amortised cost' under AASB 9. This did not change the balance of other financial assets recognised in the comparative year.

In relation to the reclassification of financial assets and liabilities, there was no impact on the statement of surplus or deficit and other comprehensive income, balance sheet or statement of changes in equity on adoption of AASB 9.

See note 1(g), 1(h), 1(k) and 1(l) for the detailed accounting policies.

#### (c) Comparative Amounts

Comparatives are consistent with prior years, unless otherwise stated.

#### (d) Income Tax

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

#### (e) Revenue and other income

##### Government Contributions

Government funding which is contingent upon certain outcomes, including the expenditure of certain amounts, is recognised as revenue only when those outcomes are achieved and only to the extent of the expenditure incurred. Funding received that has not achieved such outcomes is recognised as unexpended funds. Operational funding which is not contingent upon certain outcomes is recognised as revenue over the periods to which it relates.

##### Event Income

Revenue from the sale of tickets for events is brought to account on an accrual basis for the period it relates.

##### Membership Subscriptions

Revenue from the provision of membership subscriptions is brought to account on an accruals basis for the period it relates.

Invoices issued prior to the subscription period are credited to an unearned income holding account and accordingly credited to the income account when income has been derived. New members' subscriptions are for 12 months from the date of processing and income is credited on a proportional basis to the income account.

##### Strategic Partnerships

Quantifiable strategic partnership contributions are recognised at fair value for the period it relates.

Unquantifiable strategic partnership contributions are recognised at fair value when the expenditure is incurred.

##### Interest

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

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

#### (f) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand and short term investments which are readily convertible to known amounts of cash and which are subject to an

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

insignificant risk of change in value.

## (g) Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off.

A provision for doubtful debts is established on an expected credit loss (ECL) forward looking basis for all trade receivables at amortised cost. The amount of the provision is the difference between the asset's carrying value amount and the nominal value of estimated future cash flows. The amount of the provision is recognised in the statement of surplus or deficit and other comprehensive income.

## (h) Investments and other financial assets

### i) Classification

From 1 July 2018, the Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

The Company is using the measured at amortised cost method for all its financial assets, namely trade and other receivables. Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

### ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on tradedate, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

### iii) Measurement

Subsequent to initial recognition, financial assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income and impairment for expected credit losses are recognised in the profit or loss. Gain or loss on derecognition is recognised in profit or loss.

### iv) Impairment

Impairment of financial assets is recognised on an

expected credit loss (ECL) – forward looking – basis for all financial assets measured at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Company considers reasonable and supportable information that is relevant and available, including both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment, including forward looking information.

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

### (i) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost less accumulated depreciation and impairment losses. Assets purchased with a value less than \$1,000 are expensed in the period acquired.

Items of property, plant and equipment that have been donated or acquired at nominal cost, are recognised at fair value of the asset at the date the Company obtains control of the asset.

### Depreciation

The depreciable amount of all property, plant and equipment is depreciated on a straight line basis or diminishing value basis over their estimated useful lives to the Company commencing from the date management determine that the asset is available for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

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

Fixed asset class	Depreciation rate
Plant and Equipment	11.25% 40%
Furniture, Fixtures and Fittings	11.25% 40%
Computer Software	33%
Leasehold improvements	20%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

When an asset is disposed, the gain or loss is calculated by comparing proceeds received with its carrying amount and is taken to the statement of surplus or deficit and other comprehensive income.

### (j) Impairment of non financial assets

At the end of each reporting period the Company reviews the carrying amounts 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 of disposal and value in use, is compared to the asset's carrying amount. Any excess of the assets carrying amount over its recoverable amount is recognised in the statement of surplus or deficit and other comprehensive income.

### (k) Trade 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 will remain unpaid. The amounts are unsecured and are usually paid within 30 days of recognition additional.

## (l) Financial liabilities

### i) Classification

The Company is using the measured at amortised cost method for all its financial liabilities. The financial liabilities of the Company comprise trade payables.

Liabilities measured at amortised cost are financial liabilities where the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

### ii) Recognition and derecognition

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

### (m) Unexpended Funds

The Company receives Government contributions to fund projects for contracted periods of time. Where there is a contractual obligation to return unexpended amounts, these contributions are treated as unexpended funds in the balance sheet. Where the unexpended funds can be spent in a subsequent financial period, these funds are recognised as future funding. Where required by the contract, unexpended contributions are returned if they are not required to extinguish the service obligations under the contract.

### (n) Provisions

Provisions are recognised when the Company 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.

#### Make Good Provision

The Company recognises a provision for the estimated cost required to return the leased property

at Level 20, 100 William Street, Sydney NSW 2011 to its pre fit out condition, taking into account the risks and uncertainties surrounding the obligation.

### (o) Leases

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred. The lease is not recognised in the statement of financial position.

### (p) Employee benefits

Employee benefits relate to amounts expected to be paid to or on behalf of employees for wages earned, performance incentives, annual leave, long service leave and superannuation.

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on costs.

Employee benefits expected to be settled more than twelve months after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions made by the Company to an employee superannuation fund are charged as an expense when incurred.

### (q) 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 payables are stated inclusive of 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 included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities which are recoverable from, or payable to, the taxation authority are classified as operating cash flows.

### (r) Critical accounting estimates and judgements

The Company evaluates estimates and judgements incorporated into the financial report 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. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affect both current and future periods. The effect of the change relating to the current period is recognised as income or expense in the current



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

period. The effect, if any, on future periods is recognised as income or expense in those future periods.

The significant estimates and judgements made have been described below.

### Key estimates impairment

The Company assesses impairment at each reporting date by evaluating conditions specific to the Company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Fair value less costs to sell or current replacement cost calculations performed in assessing recoverable amounts incorporate a number of key estimates.

### Key estimates provisions

As described in the accounting policies, provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes.

### (s) New Accounting Standards and Interpretations

Accounting standards and interpretations issued by the AASB that are not yet mandatorily applicable to the Company, together with an assessment of the potential impact of such Pronouncements on the Company when adopted in future periods, are discussed below.

- AASB 15 Revenue from Contracts with Customers and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 January 2019).

The Standard contains new requirements for the recognition of revenue and additional disclosures. The Standard introduces a single principlesbased five step model for recognising revenue, and introduces the concept of recognising revenue when an obligation to a customer is satisfied. The adoption of this Standard is not expected to have a material impact on the Company's financial statements and is not applicable until 1 January 2019.

- AASB 1058 Income of Not for Profit Entities and associated Amending Standards (applicable to annual reporting periods on or after 1 January 2019).

The Standard replaces the existing requirements in AASB 1004 Contributions and clarifies the income recognition requirements that apply to NFP entities, in conjunction with AASB 15 Revenue from Contracts with Customers. The adoption of this Standard is not expected to have a material impact on the Company's financial statements and is not applicable until 1 January 2019.

- AASB 16 Leases (applicable to annual reporting periods beginning on or after 1 January 2019).

The main impact of this new Standard will require lessees to recognise assets and liabilities for all

operating and finance leases, except where the lease is for a period less than 12 months and of low value. Whilst the impact of AASB 16 has not yet been fully quantified, assuming the existing property lease options will be exercised the Company currently has \$2.22M worth of operating leases which we anticipate will be bought onto the statement of financial position through the recognition of a right to use asset and associated lease liability. Interest and amortisation expense will increase and rental expense will decrease.

Other amendments to existing standards that are not yet effective are not expected to result in a material impact to the Company's financial report.

### (t) Economic dependence

Business Events Sydney Limited is dependent on State Government funding for the majority of its revenue used to operate the business. At the date of this report the Board of Directors has no reason to believe that State Government contributions will not continue.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	2019 \$	2018 \$
<b>2 Revenue and Other Income</b>		
<b>REVENUE FROM ORDINARY OPERATIONS</b>		
State Government contribution	9,791,000	9,729,000
Local Government contribution	88,462	158,075
Membership subscriptions & sponsorship	1,525,120	1,353,810
Co Operative advertising & exhibition revenue	-	97,900
<b>Net cash provided by (used in) operating activities</b>	<b>11,404,582</b>	<b>11,338,785</b>
<b>OTHER INCOME</b>		
Investment revenue	232,832	212,400
Export market development grant	67,057	74,975
	299,889	287,375
<b>Total revenue &amp; other income</b>	<b>11,704,470</b>	<b>11,626,159</b>
<b>3 Cash and cash equivalents</b>		
Cash on hand	130	130
Cash at bank	2,338,995	2,719,973
Short term bank deposits	8,458,414	8,268,647
Term deposits (a)	227,150	227,150
	<b>11,024,689</b>	<b>11,215,900</b>
(a) Charge held by landlord of \$227,150 for Sydney office rental bond.		
<b>4 Trade and other receivables</b>		
<b>CURRENT</b>		
Trade receivables	1,224,381	458,805
Other receivables	55,300	73,739
	<b>1,279,681</b>	<b>532,544</b>
<b>NON-CURRENT</b>		
Other receivables	-	55,310

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019**

	2019 \$	2018 \$
<b>5 Property, plant and equipment</b>		
<b>FURNITURE, FIXTURE AND FITTINGS</b>		
At cost	130,357	130,357
Accumulated depreciation	(113,678)	(93,560)
<b>Total furniture, fixture and fittings</b>	<b>16,679</b>	<b>36,797</b>
<b>OFFICE EQUIPMENT</b>		
At cost	383,159	512,589
Accumulated depreciation	(229,933)	(423,552)
<b>Total office equipment</b>	<b>153,226</b>	<b>89,037</b>
<b>COMPUTER SOFTWARE</b>		
At cost	157,950	157,950
Accumulated depreciation	(131,264)	(78,614)
<b>Total computer software</b>	<b>26,686</b>	<b>79,336</b>
<b>LEASEHOLD IMPROVEMENTS</b>		
Leasehold Improvements	569,099	569,099
Accumulated depreciation	(482,660)	(366,911)
<b>Total leasehold improvements</b>	<b>86,439</b>	<b>202,188</b>
<b>TOTAL PROPERTY, PLANT AND EQUIPMENT</b>	<b>283,030</b>	<b>407,358</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019**

**5 Property, plant and equipment (cont'd)**

**(a) Movements in carrying amounts of property, plant and equipment**

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

	Furniture, Fixtures and Fittings \$	Office Equipment \$	Computer Software \$	Leasehold Improvements \$	Total \$
<b>Year ended 30 June 2019</b>					
Balance at the beginning of year	36,797	89,037	79,336	202,188	407,358
Additions	-	129,003	-	-	129,003
Depreciation expense	(20,118)	(64,814)	(52,650)	(115,749)	(253,331)
<b>Balance at the end of the year</b>	<b>16,679</b>	<b>153,226</b>	<b>26,686</b>	<b>86,439</b>	<b>283,030</b>

The Company moved to new leased office premises at 100 William Street Sydney in May 2015. Under the terms of the new lease, while the Company was responsible for fit out costs for the new premises the landlord provided a substantial lease incentive to offset fit out costs incurred. In accordance with the accounting standards this incentive will be recognised as a rent reduction over the term of the lease.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019**

	2019 \$	2018 \$
<b>6 Trade and other payables</b>		
<b>CURRENT</b>		
<b>Unsecured liabilities</b>		
Trade payables	2,158,005	2,112,282
Other payables	82,944	110,605
	<b>2,240,949</b>	<b>2,222,887</b>
<b>NON-CURRENT</b>		
<b>Unsecured liabilities</b>		
Other payables	-	82,967
<b>7 Employee Benefits</b>		
<b>CURRENT</b>		
Annual leave	343,105	314,674
Long service leave	291,086	239,581
Performance based remuneration (a)	165,001	219,138
	<b>799,192</b>	<b>773,393</b>
<b>NON-CURRENT</b>		
Long service leave	176,708	144,350
Performance based remuneration (a)	53,990	104,416
	<b>230,698</b>	<b>248,766</b>
<b>(a) Performance based remuneration</b>		
Performance based remuneration - current	165,001	219,138
Performance based remuneration - non current	53,990	104,416
<b>Total</b>	<b>218,991</b>	<b>323,554</b>

Since July 2013, the Company has provided 'at risk' performance based incentives to its staff. The incentives have both short term and long term qualifying criteria and are subject to retention clauses. This results in liabilities from multiple incentive years being included in the year end balance.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019**

	2019 \$	2018 \$
<b>8 Other liabilities</b>		
<b>CURRENT</b>		
Unexpended funds	7,160,843	6,561,588
Membership in advance	611,301	719,395
	<b>7,772,144</b>	<b>7,280,983</b>
<b>9 Provisions</b>		
<b>NON-CURRENT</b>		
Provision for lease make good on Sydney office	113,668	110,250
<b>10 Capital and Leasing Commitments</b>		
<b>(a) Operating Leases</b>		
Minimum lease payments under non cancellable operating leases:		
not later than one year	659,031	580,732
later than one year	163,683	450,455
not later than five years	42,281	169,037
	<b>864,995</b>	<b>1,200,224</b>

The Company leases various office premises under a non cancellable operating lease. The lease has varying terms, escalation clause and renewal rights. On renewal, the term of the lease is re negotiated.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019**

	2019 \$	2018 \$
<b>11 Cash Flow</b>		
<b>(a) Reconciliation of result for the year to cashflows from operating activities</b>		
Net surplus for the year	29,928	38,909
Non cash flows in operating surplus:		
• depreciation & amortisation	253,331	236,161
Changes in assets and liabilities:		
• (increase)/decrease in debtors	(691,826)	805,642
• (increase)/decrease in other assets	(91,045)	118,886
• increase/(decrease) in funding in advance	491,160	939,271
• increase/(decrease) in trade and other payables	(64,905)	117,487
• increase/(decrease) in employee benefits	11,149	(77,170)
Cashflow from operations	<b>(62,208)</b>	<b>2,179,186</b>

**Credit standby arrangements with banks**

The Company has a credit card facility amounting to \$ 50,000 (2018: \$ 50,000). As at 30 June 2019, \$(1,057) of this facility was used (2018: \$ 4,081). These facilities are secured by a charge over term deposits valuing \$50,000.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019**

	2019 \$	2018 \$
<b>12 Key Management Personnel Remuneration</b>		
<b>(a) Total Directors Remuneration</b>		
Directors' Fees	87,917	86,458
Superannuation	6,792	5,093
<b>Total Directors' Remuneration</b>	<b>94,709</b>	<b>91,551</b>
Number of Remunerated Directors	<b>4</b>	<b>8</b>
<b>(b) Total Executive Personnel Remuneration</b>		
Executive personnel remuneration for the financial year, as described in note 1(n)		
Fixed Salary	923,331	912,995
Superannuation	71,840	71,876
<b>Total Fixed Remuneration</b>	<b>995,171</b>	<b>984,871</b>
"At Risk" Performance Related Benefits		
Short Term Incentive Plan	90,042	43,342
Long Term Incentive Plan	-	76,570
<b>Total Executive Personnel Remuneration</b>	<b>1,085,213</b>	<b>1,104,783</b>
Number of Executive positions	<b>3</b>	<b>4</b>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

### 12 Key Management Personnel Remuneration (cont'd)

#### (c) Executive Personnel Remuneration by Band

The remuneration of the Executive fell within the following bands:

##### (i) Fixed Remuneration by Band

Fixed Remuneration consists of contracted salary, parking arrangements and contributions by BESydney to a superannuation fund of the employee. In August 2017 a member of the Executive resigned and that position was not replaced.

	2019 \$	2018 \$
<b>Band Analysis: Fixed Remuneration</b>		
Executive Personnel		
\$0-\$50,000	-	1
\$250,000-\$300,000	2	2
\$400,000-\$450,000	-	1
\$450,001-\$500,000	1	-
<b>Total</b>	<b>3</b>	<b>4</b>

##### (ii) "At Risk" Performance Related Benefits by Band

"At Risk" Performance Related Benefit for the Executive are provided under formal Plans, reviewed and approved by the Board annually and administered by the Governance, Nomination and Remuneration Committee. The Executive Leadership Team Short Incentive Program (ELT STIP) commenced in the 2018 calendar year, and provides participants with a maximum potential incentive of 15% of base salary (excluding superannuation). Awards under the ELT STIP will be approved at the Board's discretion, after assessment of the Executive Teams' achievement against the measures of success established for the Organisation Goals outlined in the Business Plan.

Prior to CY2018, an Executive Long Term Incentive Plan (LTIP) was in place, and provided participants with a maximum potential incentive of 25% of base salary (excluding superannuation) if the agreed performance gateway was exceeded by 30%, with a deferred payout mechanism to support the Company's executive retention objectives. Payout of any incentive allocated for a performance year is in multiple tranches over following years, (year 1 50%, year 2 25%, year 3 – 12.5%, year 4 6.25%, year 5 3.2% etc) and is contingent on continued employment. A final allocation to the LTIP in respect of performance for the 2017 calendar year was approved by the Board in March 2018.

<b>Band Analysis: "At Risk" Performance Related Benefits</b>		
Executive Personnel		
\$0-\$50,000	3	2
\$50,000-\$100,000	-	1
<b>Total</b>	<b>3</b>	<b>3</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

### 12 Key Management Personnel Remuneration (cont'd)

#### (c) Executive Personnel Remuneration by Band

##### (iii) Total Potential Remuneration by Band

Total Potential Remuneration is the aggregate of fixed remuneration and the incentive allocated or expected to be allocated under the ELT STIP/LTIP in respect of the financial year. It represents potential remuneration as the terms of the LTIP require participants to continue to be employed for a further five years to receive payout of full incentive allocated in respect of a given performance year.

	2019 \$	2018 \$
<b>Band Analysis: Total Potential Remuneration</b>		
Executive Personnel		
\$0-\$50,000	-	1
\$250,000-\$300,000	1	2
\$300,000-\$350,000	1	-
\$450,000-\$500,000	1	1
<b>Total</b>	<b>3</b>	<b>4</b>



# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

## 13 Related Parties

The Company promotes a Client to Member Program, whereby members goods and services are promoted to clients. This service is available to all members, with promotion opportunities dependent on membership level. As members of the Company, some Directors and their businesses participate in the program, on terms that are no more favourable than that which is available to all members of the same membership level.

The Company also endeavours to purchase its members' goods and services where appropriate. As members of the Company, some Directors and their businesses may enter into transactions with the Company. All such transactions between the Directors and the Company are on "arms length" terms, and no more favourable to either party than other negotiated commercial arrangements.







**BUSINESS EVENTS  
SYDNEY**

**AUSTRALIA OFFICE**

Level 20, 100 William Street  
Sydney, NSW, 2011, Australia  
Phone: +61 2 9331 4045  
Fax: +61 2 9360 1223  
Email: [info@besydney.com.au](mailto:info@besydney.com.au)

**EUROPE OFFICE**

Australia Centre, Australia House  
6th Floor Melbourne Place, The Strand  
London, WC2B 4LG, United Kingdom  
Phone: +44 207 438 4616  
Email: [ukoffice@besydney.com.au](mailto:ukoffice@besydney.com.au)

**AMERICAS OFFICE**

700-838 West Hastings Street  
Vancouver, BC V6C 0A6, Canada  
Phone: +1 604 801 9673  
Email: [americanoffice@besydney.com.au](mailto:americanoffice@besydney.com.au)

**SINGAPORE OFFICE**

30 Raffles Place  
23/F Chevron House  
Singapore, 048622  
Phone: +65 6233 5624  
Email: [singaporeoffice@besydney.com.au](mailto:singaporeoffice@besydney.com.au)

**CHINA OFFICE**

Unit 4303, Level 43, CITIC Square,  
1168 Nanjing Road West  
Shanghai 200041, P.R.China  
Phone: 86 21 5292 8833  
Email: [chinaoffice@besydney.com.au](mailto:chinaoffice@besydney.com.au)

**INDIA OFFICE**

No. 83, 3 North Avenue (Building 3)  
Maker Maxity, Bandra Kurla Complex  
Bandra (E), Mumbai, 400051, India  
Phone: +91 22 6749 3034  
Mobile: +91 9873 70 76 79  
Email: [pbawa@besydney.com.au](mailto:pbawa@besydney.com.au)



[besydney.com.au](http://besydney.com.au)