



BUSINESS EVENTS
SYDNEY

FINANCIAL REPORT

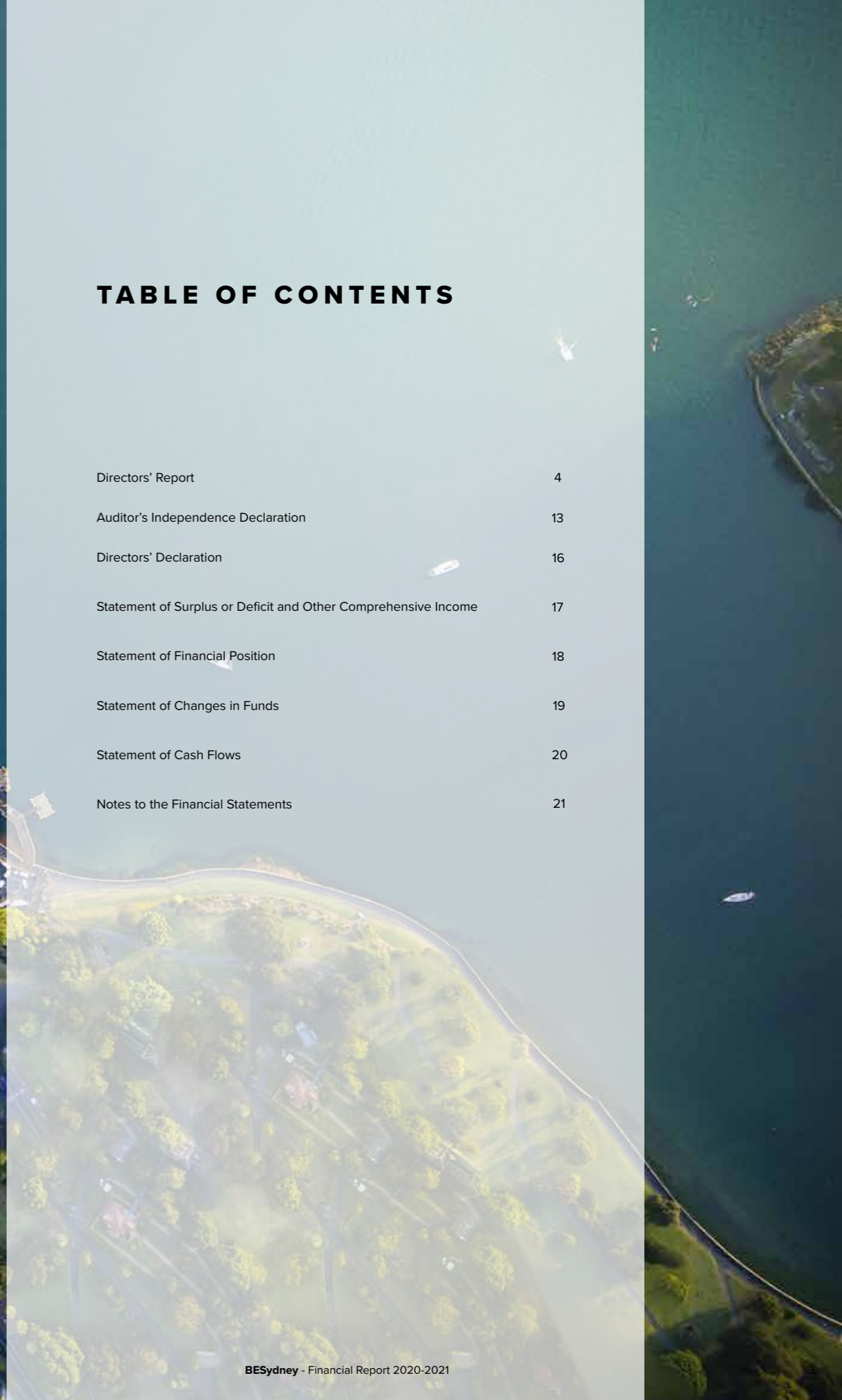
2020—2021

ABN 42 002 630 364



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DIRECTORS' REPORT

For the Year Ended 30 June 2021

The directors present their report on Business Events Sydney Limited (BESydney) for the financial year ended 30 June 2021.

1. General information

Directors

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 *Resigned 23/02/21*

Mr Scott Boyes *Resigned 05/11/20*

Mr Greg Brady *Appointed 09/11/20*

Mr Jason Collins *Appointed 01/06/21*

Mr Steve Cox

Mr Peter Grey

Mr James Granter

Dr Marlene Kanga AM

The Hon. George Souris

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 Transportations System Strategic Advisory Board, Board Member of the Heart Research Institute and Board Member of the Sydney Opera House.

BESydney Board Committee membership: Finance Risk and 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 Peter Grey

Term of Office: Independent Director since Jun-2018

Independent: Yes

Current directorships: Chair, MLC Ltd.

Other interests: Senior Advisor International, 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, he 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. Peter has a Bachelor of Economics (Hons) from Sydney University and an MBA from Stanford University.



Mr Jason Collins

Term of Office: Director since Jun-2021

Independent: Yes

Current directorships: Deputy Chair, The Australia Youth Trust, Chair, European Business Organisations Worldwide (Belgium).

Other interests: Nil

BESydney Board Committee membership: Governance, Nomination and Remuneration Committee.

Skills, experience and expertise: Jason Collins is the CEO of the European Australian Business Council since 2007, carrying overall responsibility for the delivery of the Council's programmes, membership and relations with Australian and European government agencies, chambers of commerce, industry groups, and other public and private sector organisations. He is also Chair of European Business Organisations Worldwide, a peak association headquartered in Brussels of European business organisations located in over 50 countries and six continents.

He serves on the advisory boards of several Australian and Europe-based research centres, industry bodies and is a speaker and commentator on trade and related topics. He has worked in various previous private and public sector roles, including with the NSW Parliament in Sydney, and as a consultant to companies seeking to develop and execute their offshore and inbound business strategies. He is also Deputy Chair and a founding director of the Australia Youth Trust.



DIRECTORS' REPORT

For the Year Ended 30 June 2021

Dr Marlene Kanga AM

Term of Office: Independent Director since Sep-2017

Independent: Yes

Current directorships: Sydney Water Corporation, AirServices Australia, Standards Australia, NSW Smart Sensing Network, iOmniscient Pty Ltd.

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

BESydney Board Committee membership: Finance Risk and 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 was also the President of the World Federation of Engineering Organizations, representing 100 nations. She has led international events in Australia and overseas 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.

Mr Steve Cox

Term of Office: DNSW nominated Director since May-2020

Independent: No

Current directorships: Nil

Other interests: Nil

BESydney Board Committee membership: Nil

Skills, experience and expertise: Steve Cox is the Chief Executive Officer of Destination NSW, the state's tourism and major events agency and the owner, manager and producer of Vivid Sydney.

Prior to joining Destination NSW in May 2020, Steve was the Managing Director of Dymocks Retail for eight years where he launched several high-growth business channels. Prior to this, Steve held senior roles in the fashion sector with David Jones and the Specialty Fashion Group.

As a passionate and energetic champion for Sydney and regional NSW, Steve's focus is spearheading the strategic direction of Destination NSW including the delivery of the Visitor Economy Strategy 2030 to ensure NSW is the premier visitor economy of the Asia Pacific by 2030.

Steve holds an MBA with Macquarie University – Graduate School of Management.



The Hon. George Souris

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. Director, State Library Foundation, Director, Destination New South Wales, Director, Racing New South Wales, Director, Australian Rugby Foundation, Director, Australian Film Institute | Australian Academy of Cinema and Television Arts.

Other interests: Trustee, Sir Earle Page Memorial Trust, member of the NSW Arts and Culture Advisory Committee, member State Library Audit and Risk Committee and Destination NSW Audit and Risk Committee, Trustee, Sydney Cricket Ground Heritage Trust.

BESydney Board Committee membership: Nil

Skills, experience and expertise: In a 34 year elected career of seven years in local government and 27 years in the NSW Parliament, George Souris has held 13 ministerial portfolios and a similar number in Opposition. He is a past Leader of the Parliamentary NSW National Party.

As the President of the Library Council of NSW he is responsible for the transformation of the State Library as an exhibitor of the historical treasures, artworks and heritage it holds.

He is the former Chairman of the Board of the Upper Hunter Development Corporation Ltd and the former Chairman of the Hunter Valley Wine and Tourism Alliance.

George has a B.Ec and holds a postgraduate Diploma in Financial Management. He is also a FCPA and FAIM.

Mr Greg Brady

Term of Office: Member Director since Nov-2020

Independent: No

Current directorships: Nil

Other interests: Nil

BESydney Board Committee membership: Nil

Skills, experience and expertise: As General Manager of the Sofitel Sydney Darling Harbour, Greg Brady holds the most senior General Manager role within AccorHotels in Australia and New Zealand. This role oversees the operation of one of the leading hotels in the country. In the short period since the hotel has been open, it has strengthened its reputation in the luxury segment and produced returns in excess of expectations.

As the first Sydney 5-star hotel opening in over 20 years, Greg worked for over a year prior to opening to develop its strategic plan. It is now regarded as the most successful new hotel opening in the country. In addition to managing a highly capable senior Executive team, Greg also oversees the daily operations of the hotel and is involved in daily financial, legal, and risk management decisions.



DIRECTORS' REPORT

For the Year Ended 30 June 2021

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.

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, James 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.

James is a Tourism Councillor with the NSW Business Chamber and Vice President of the North Sydney Chamber of Commerce. He has a Master of Business Administration majoring in General Management.

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 and Audit Committee.

Skills, experience and expertise: John Kelly was CFO of the Sydney Convention and Exhibition Centre (SCEC) 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 in the UK.

Prior to joining the SCEC, 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 2021 the collective liability of members was \$6,450 (2020: \$6,250).

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.

COVID-19 impacts

The onset of the global COVID-19 pandemic in March 2020 resulted in an immediate and significant disruption to the global events sector, the primary focus of BESydney's operations. While there has been an improvement in outlook in some European and North American markets with high vaccination rates, and commentary that the international border will reopen this year, it remains likely that Australian border restrictions will continue to impact international business event delegates into 2022.

In response, BESydney has continued to expand its domestic market focus.

Company purpose and goals

BESydney's Purpose Statement is set out below:

BESydney promotes Sydney as the pre-eminent Asia Pacific business visitor destination and acquires strategic business events that deliver economic and social impact for Sydney, NSW and global communities.

The organisation goals of BESydney are:

1. *Acquire and optimise impact of strategic business events to deliver economic and social development for NSW*
2. *Build Sydney's business visitor brand and destination reputation*
3. *Create a successful and supported high performing team by realising the potential of each staff member*
4. *Maintain a well governed, sustainable and resilient organisation.*

DIRECTORS' REPORT

For the Year Ended 30 June 2021

In line with best practice, the Company regularly reviews and updates its activities with its annual business plan process through a quarterly review and refinement of Objectives and Key Results, to ensure a successful alignment with organisational purpose and operational plans.

2. Operating results and review of operations for the year

Operating results

The surplus of the Company amounted to \$1,175,809 (2020: \$57,976). No income tax expense is charged or is payable as the Company claims an exemption from income tax under the Income Tax Assessment Act 1936.

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

Bidding for business events is complex and sophisticated, requiring the retention of a highly skilled team of specialists. Employee costs account for 66 per cent of total expenditure. Marketing activities continued to be focused on building brand awareness, strengthening Sydney's profile and reputation as a premier global and domestic meetings destination, and creating more opportunities for local and international profiling.

For the 2020/21 financial year BESydney's revenue was adversely impacted by a reduction in Government funding and by the decision of BESydney to offer fee relief in the form of complimentary membership to its partners and members. BESydney staffing costs were reduced as a consequence of the organisational restructure in August 2020. Sales and marketing expenditure was significantly reduced reflecting COVID-19 impacts on our international operations.

The Company's financial reserves at the end of the financial year are strong, at \$2.9 million.

Review of operations

With the onset of COVID-19 in March 2020, BESydney expanded its traditional focus of securing international business to encompass building Sydney's brand in the domestic business events market and to bid to secure domestic business events to Sydney, where it could add value. While ongoing travel restrictions and changing Public Health Orders have impeded BESydney's progress in both its domestic and international market objectives, 2020-21 has been a year of considerable achievement.

BESydney 2020-2021 business activities

BESydney made a number of significant adjustments to its activities during 2020-21 in response to sustained changes in the operating environment, to best position for the future, and continue to deliver value for its funding partners, including:

- Restructure of the organisation and adoption of the 'agile' way of working to align to and enable expanded bidding remit
- Domestic marketing and strategic events bidding activity

to defend and grow the State's domestic business events market share in the face of predicted fierce domestic competition. This work involved close collaboration with industry partners and Destination NSW

- Launch of the next phases of the domestic marketing campaign to best position Sydney and NSW as the leading choice for national business events
- Refinement of focus in the international market to prioritise the securing of long-lead international business events and the retention of previously secured business impacted by COVID-19 restrictions
- Digital transformation to enhance the organisation and Sydney's competitiveness post-COVID.

BESydney has also taken a lead role in the launch and management of the Kickstart 2021 Business Event Fund.

i. Events secured

BESydney has a strong performance track record, generating an average of \$214 million in direct expenditure per annum from international events held in the two financial years prior to the onset of the COVID-19 pandemic.

During the 2020-21 financial year, BESydney secured 18 meetings which are expected to attract 20,800 delegates staying 79,150 delegate days and generate an estimated \$70 million in direct expenditure for the state.

Of these, 11 are global meetings (\$50 million) and seven are national meetings (\$20 million).

Listed below are some highlight events secured during the financial year:

- World Congress on Desalination and Water Re-use 2022, expected to attract 1,000 delegates staying 5,000 delegate days and generate an estimated \$7 million in direct expenditure
- ACM SIGGRAPH Asia 2023, expected to attract 2,500 delegates staying 10,000 delegate days and generate an estimated \$9 million in direct expenditure
- Physiotherapy 2023, expected to attract 1,800 delegates staying 5,400 delegate days and generate an estimated \$5 million in direct expenditure
- World Endodontic Congress 2026, expected to attract 1,200 delegates staying 4,800 delegate days and generate an estimated \$5 million in direct expenditure.

Estimated impacts noted above were correct as at 30 June 2021 and are subject to change.

ii. Events held

As at the start of July 2020, BESydney had a pipeline of previously secured events worth \$85 million in direct expenditure scheduled to be held during FY2020/21. However, as a result of the ongoing closure of international borders coupled with domestic lockdowns, no events secured by BESydney were held in 2020-21.

A COVID-19 response priority has been working with BESydney's international clients to retain previously secured

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For the Year Ended 30 June 2021

business, and to date, BESydney has rescheduled 62 per cent of impacted business events to future years.

iii. Kickstart 2021 Sydney Business Events Fund

In April 2021, the NSW Government announced its \$5.5 million Business Events Industry Support Package, providing tailored funding programs to support business events in:

- Greater Sydney, Newcastle and Wollongong (administered by BESydney)
- Regional NSW (administered by Destination NSW)

The Kickstart 2021 Fund incentivised business event organisers to hold their small to medium-sized (50+) business events in Greater Sydney, including Hawkesbury, Penrith, Wollondilly, Blue Mountains, Wollongong and Newcastle, and support jobs across the business events supply chain including accommodation, entertainment, and tourism sectors.

To be eligible for support, events had to be at least one day's duration and held before 31 December 2021.

A broad range of business events were eligible for funding, including conferences, conventions, symposia, congress, incentive group events, marketing events, seminars, training courses, trade shows, product launches, exhibitions, company general meetings and corporate retreats.

Funding of up to \$45,000 for one-day events and up to \$90,000 for two-day (or more) events was available, with Government funding to be matched dollar-for-dollar by event organisers.

Applications opened on 27 April 2021, closed on 31 May 2021 and were assessed on a first-come first-served basis.

The response to the program was overwhelming with applications received to fund 444 business events. Unfortunately, the lockdown restrictions imposed on Greater Sydney from 26 June 2021, and still in place at the date of this report, have hampered the ability of organisers to hold their events as scheduled. BESydney continues to work with the organisers, industry and government to optimise the outcomes from the program.

iv. Marketing and communications activities

BESydney continued to build brand awareness, strengthen Sydney's profile and reputation as a premier domestic and global meetings destination and create more opportunities for local and international profiling.

While continuing to place a focus on the organisation's core business of acquiring and leveraging international business events for Sydney and NSW, the ongoing impacts of COVID-19 have seen marketing and communication's efforts continue to support the domestic meetings market.

Domestic marketing and content campaign

To support BESydney's re-entry to the domestic business events market and recovery of our local industry, a new strategic marketing campaign, "It's got to be Sydney", and new domestic website was launched, with enhancements to the supplier search.

The campaign has been delivered in phases, with each phase informing the next, as conditions and sentiment evolve. Phase I (Q4 2020) was designed to build awareness and interest, and Phase II (Q2 2021) was designed to drive intent to book. Combined, the two phases achieved a total reach of close to 5 million targeted key decision-makers and event planners.

Through the campaign, a unified and consistent narrative has been created for the industry to ensure share of voice for Sydney is maintained, with the support of an integrated media, social media and advertising program.

Domestic pipeline building and Sydney destination profiling

BESydney supported the Committee for Sydney's inaugural Sydney Summit in February 2021. The "in-person" only event saw almost 200 C-suite decision makers attend the conference around the creation of a shared vision for the future of our city. Distribution of "It's got to be Sydney" flyer promoted the domestic website and put the case for booking business events now.

A new BESydney corporate newsletter was launched to help strengthen BESydney's brand positioning and build closer engagement with key audiences.

Global meetings

Our continued focus on global meetings has included the launch of a new 'BESydney Global Incentives' newsletter to provide a critical touchpoint with Asian incentive planners, travel agents and in-house business development contacts while borders remain closed.

Other initiatives include a suite of new digital assets, digital animations, Sydney 360VR Map and aerial video, for use across bidding activities, presentations and virtual site inspections, in addition to new episodes in the 'Anticipating Tomorrow: Global Insights' webinar series.

Awards and accolades

Due to COVID-19 and its impact on the global business events market, International Congress and Convention Association (ICCA) rankings and Union of International Associations (UIA) did not occur this year. In the 2019 ICCA rankings, Sydney returned into the top 20 (ranked at no. 20) for the first time since 2013, and also ranking 20 in the UIA global rankings. Nationally, Sydney was ranked no. 1 for both ICCA and UIA last year.

iv. Stakeholder engagement

Engagement with stakeholders including academia, the not-for-profit sector, government and corporate industry leaders supports BESydney's industry sector bidding teams to access the expertise and networks required to successfully bid for events 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 ICC Sydney.

BESydney's member community continued to be affected by the impacts of COVID-19 during the course of the year. In response, BESydney extended its support package for

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For the Year Ended 30 June 2021

members and strategic partners, offering a further nine-month extension of fee support. This delivered a total of 15 months complimentary membership to all BESydney partners and members.

We stayed connected with our Strategic Partner and Member community throughout the year through structured communication channels including:

- International Update for Strategic Partners: Broadcast virtually in August 2020, BESydney's international team provided an update across each of its key global markets; Asia, Europe and Americas. This event provided our partners with insights into current market conditions, market sentiment and how global client needs and business events were evolving through the pandemic.
- BESydney Buzz newsletter: This newsletter keeps partners and members up-to-date with BESydney's key initiatives and activities across domestic and global markets, as well as the latest bid wins for Sydney, industry news and research sources. The insights and resources shared are designed to assist members in their business planning. Four editions of the newsletter were distributed throughout the year.
- CEO Messages: Our newsletter communication to members and strategic partners throughout the year was complemented by messages directly from the desk of BESydney's CEO. These letters provided updates about BESydney's strategy, our outlook and market plans, including messages of support through uncertain times.

v. BESydney Ambassador Program

Ambassador 'Build Back Best' Luncheon

In April 2021, we convened a select group of Ambassadors and Minister Ayres for a working lunch, to discuss how Sydney can build back best following the pandemic and how this group could work with us to focus on the sectors and related global bids essential to our state's economic future, with BESydney seeking to take a leadership position for

the NSW business visitor economy. A discussion paper was produced, and the outputs are being fed into BESydney's bidding strategy.

Tech Advisory Group & Health and Medical Research Advisory Group

BESydney identifies the health and technology sectors as strategic priorities for its future national and international bidding program. To deepen our understanding and facilitate our work in these areas, a specialist advisory group was created for each area, with select Ambassadors included as members. The inaugural meetings have been conducted and the insights fed into bidding activities and the business overall.

vi. Research program

Direct expenditure update

BESydney conducts delegate and organiser surveys in conjunction with the University of Technology Sydney (UTS) Business School to understand the full value of business events. This incorporates reporting on the social legacies arising from conferences and delegate behaviour analytics, as well as providing an estimate of the direct expenditure into NSW that occurs as a direct result of international conferences held in Sydney.

In 2019, a report was prepared for BESydney based on over 1,400 delegates attending 11 international congresses held in 2017 and 2018, spanning topics including respirology, ocular oncology, microscopy, bankruptcy, internal auditing, accounting, electronics engineering and social studies of science. A published infographics summary of the outcomes was produced in 2020-21. The updated direct expenditure figures have been applied to all direct expenditure figures published by BESydney from 2021 onwards.

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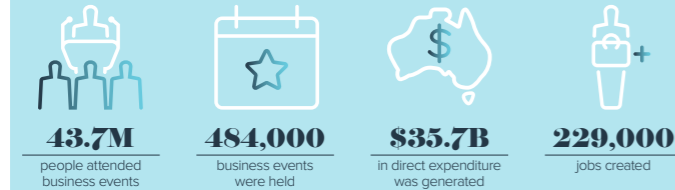
For the Year Ended 30 June 2021

conferences catalysts for thriving economies



tourism benefits

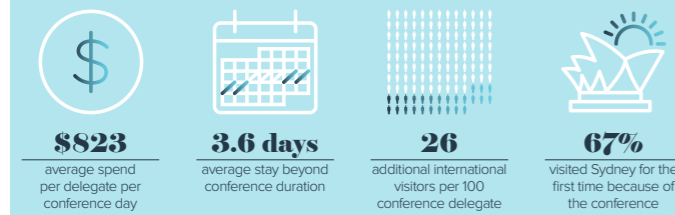
Business events generate significant tourism benefits annually for both national and local economies, including tourism exports, job creation and the injection of new money.



Source: Value of Business Events to Australia, EY, 2020

international association conference delegates

Global meetings generate significant tourism benefits. In 2019 they increased tourism exports, created jobs and injected money into the local economy.



Source: Direct Expenditure attributed to International Conferences held in New South Wales in 2017-2018, Edwards, Foley and Hergesell, 2019

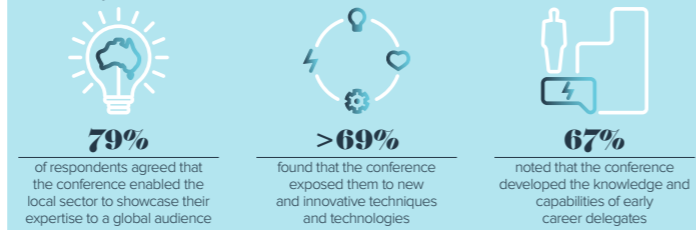
beyond tourism benefits

More significant however, is the value of collaboration and information exchange created at global meetings that, in turn, forms the foundation for innovation. This creates positive outcomes for a range of stakeholders including delegates, exhibitors, businesses and retailers, and more importantly over time, drives long lasting social change through industry sectors and governments which benefits local communities.

delegates/businesses



industry sector



community



Source: Legacy Report of Conferences held in NSW 2007-2008, Edwards, Foley and Hergesell, 2009

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For the Year Ended 30 June 2021



Global meetings in a COVID world BESYDNEY INSIGHTS 2020

BESydney commissioned two research studies in June 2020 with the purpose of gaining insight into the sentiments of both meeting organisers and delegates regarding the resumption of global conferencing in light of the COVID-19 pandemic.

ORGANISER SENTIMENT

Key destination selection criteria

The Top 5 selection criteria in evaluating a destination have remained consistent over the past three years:

1. **Conference venue**
2. **Appeal of the city**
3. **Accessibility**
4. **Cost**
5. **Hotels** e.g. proximity to venue, availability

Respondent profile

Country of origin



Respondent profile

Role in relation to meeting



100% OF ORGANISERS are likely to travel sooner to destinations that were less impacted by COVID-19 than to those severely impacted.

TOP 5 PREREQUISITES FOR RESUMING LONG HAUL CONFERCING



LIKELY TIMEFRAME FOR RESUMING LONG HAUL CONFERCING



LIKELY TIMEFRAME FOR RESUMING SHORT HAUL CONFERCING



DELEGATE SENTIMENT

IMPACT OF NO FACE-TO-FACE CONFERCING



Delegates also felt there was a high impact, reducing their opportunity to:



Respondent profile

Country of residence



50% OF DELEGATES are likely to travel sooner to destinations that were less impacted by COVID-19 than to those severely impacted.

TOP 5 PREREQUISITES FOR DELEGATES TO RESUME FACE-TO-FACE INTERNATIONAL CONFERCING*



LIKELY TO TRAVEL SOONER TO LESS IMPACTED DESTINATIONS



LIKELY TIMEFRAME FOR DELEGATES RESUMING LONG HAUL CONFERCING



Source: Conferences in a COVID-19 World, Foley, Edwards, Hergesell, 2020

Visit besydney.com.au for further insights



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For the Year Ended 30 June 2021

Delegate research - Conferences in a COVID-19 world

As the realisation grew that the impact of COVID-19 on the global business events industry was going to accelerate change in the industry, BESydney partnered with UTS Business School to conduct a survey of 700 delegates who had previously attended business events in Sydney to understand delegate sentiment regarding conferencing in a COVID-19 world.

Key findings can be found in the infographics summary shared with stakeholders in late 2020.

Quality assurance research

BESydney traditionally conducts third party quality assurance research annually to evaluate the professional services provided to clients and stakeholders and to use the knowledge and learnings to continuously improve its 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.

This year however, only strategic partners and members have been surveyed, with client surveys pushed back until later in 2021 due to COVID-19 impacts. Results were very positive, especially considering the operating environment in 2020-21.

Key results were:

- Recommendation Mean Score: 84 (consistent with previous year)
- Engagement Index (ACE®): 82 (increased from 81 the previous year)
- Net Promoter Score: +44 (up from +33 the previous year)

3. Significant changes in state of affairs

Impact of COVID-19 on operations

In March 2020 the World Health Organisation (WHO) declared the Coronavirus disease 2019 (COVID-19) to be a pandemic. The Australian Government together with State and Territory Premiers announced a series of measures aimed at preventing the spread of COVID-19, which have adversely impacted the Australian economy. These measures, particularly the effective closure of Australia's borders to international visitors, have had a significant and ongoing impact on the operations of BESydney.

The Board and Management of BESydney have implemented a range of operational and financial strategies to minimise the impact on the operations of the entity, as outlined in the review of operations earlier in this report.

At the date of this report the Greater Sydney area remains subject to health-driven restrictions effectively curtailing the opportunity for any business events to be held at this time. However the publication of the re-opening road map, together with the accelerated take-up on vaccinations, provides optimism that there will be a return to business events being held in the short to medium term.

In the meantime BESydney's 2020/21 focus on its transformation of its people and systems, together with the expansion of its insights and analytical capability provides the company with a flexible platform from which to grow when markets start to return.

The viability of the entity remains strong with funding for FY2021/22 confirmed by government partners Destination NSW and Place Management NSW.

4. Other items

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, with significant results achieved in 2020-21 by the partnership despite COVID-19 impacts. BESydney's role is as an advisor and influencer.

Meetings of directors

During the financial year, five 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	4	4
Mr Scott Boyes	2	2
Mr Greg Brady	3	3
Mr Jason Collins	-	-
Mr Steven Cox	5	5
Mr James Granter	5	5
Mr Peter Grey	5	5
Dr Marlene Kanga AM	5	5
The Hon. George Souris	5	5

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Board Sub-Committees

Finance Risk and 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 Chief Executive Officer, Chief Financial Officer and Board Chair.

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's financial reports and statements
- Review and make recommendations regarding the adequacy and integrity of BESydney's 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.

During the financial year, four 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 until April 2021)	3	3
The Hon. Bruce Baird AM	4	4
Dr Marlene Kanga AM (Chair from April 2021)	4	4
Mr John Kelly	4	4

Governance, Nomination and Remuneration Committee (GNRC)

The GNRC consists of two 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, and
- Human resources matters.

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

During the financial year, three 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 until February 2021)	2	2
The Hon. Bruce Baird AM	3	3
Mr Peter Grey (Chair from April 2021)	1	1

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 60-C of the Corporations Act 2001, for the year ended 30 June 2021 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: 

Dr Marlene Kanga AM

Dated 21 September 2021

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF BUSINESS EVENTS SYDNEY LIMITED

Auditors 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 2021, there have been:

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

Cutcher & Neale Assurance Pty Ltd (An authorised audit company)



Director:

Mark O'Connor
14 September 2021
NEWCASTLE

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 2021, 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 2021 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 (and Independence Standards) (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.

Emphasis of Matter

We draw attention to Note 1(b) in the financial statements, which discusses the impact of the COVID-19 Health Pandemic on the Company's operations and finances. Our opinion is not modified in respect of this matter.

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 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. This description forms part of the auditor's report.

Cutcher & Neale Assurance Pty Ltd
(An authorised audit company)



Director:

M.J.O'Connor

NEWCASTLE
22 September 2021

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 18 to 32, 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 2021 and of the performance for the year ended on that date of the Company.

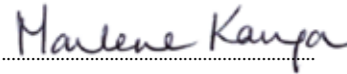
2. In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable, noting the economic dependence of the Company on continuing NSW Government funding (Note 1(s) of the financial statements).

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



Director:

The Hon. Bruce Baird AM



Director:

Dr Marlene Kanga AM

Dated 21 September 2021

STATEMENT OF SURPLUS OR DEFICIT AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 \$	2020 \$
Revenue	2	9,786,640	11,064,284
Occupancy expense		-	(56,594)
Employee costs		(5,902,513)	(7,074,018)
Depreciation and amortisation expense		(525,694)	(694,007)
Sales & Marketing expense		(1,122,971)	(1,847,405)
Interest expense on lease liabilities		(104,020)	(115,705)
Administration expense		(955,632)	(1,218,579)
Operating surplus		1,175,810	57,976
Other comprehensive income		-	-
Total comprehensive income for the year		1,175,810	57,976

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	Note	2021 \$	2020 \$
ASSETS			
Current assets			
Cash and cash equivalents	3	13,331,799	11,569,063
Trade and other receivables	4	6,380	261,380
Prepayments		137,225	182,739
TOTAL CURRENT ASSETS		13,475,404	12,013,182
Non current assets			
Property, plant and equipment	5	13,205	61,888
Right of use assets	6	1,635,455	2,112,466
TOTAL NON CURRENT ASSETS		1,648,660	2,174,354
TOTAL ASSETS		15,124,064	14,187,536
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7	1,815,107	1,771,093
Employee benefits	8	689,315	724,829
Other liabilities	9	7,609,622	7,417,460
Lease liabilities		439,151	428,424
TOTAL CURRENT LIABILITIES		10,553,195	10,341,806
Non current liabilities			
Employee benefits	8	239,946	264,201
Long term provisions	10	98,972	97,895
Lease liabilities		1,354,876	1,782,369
TOTAL NON CURRENT LIABILITIES		1,693,794	2,144,465
TOTAL LIABILITIES		12,246,989	12,486,271
NET ASSETS		2,877,075	1,701,265
FUNDS			
Accumulated Funds		2,877,075	1,701,265
TOTAL FUNDS		2,877,075	1,701,265

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN FUNDS FOR THE YEAR ENDED 30 JUNE 2021

2021	Accumulated Funds \$
Balance at 1 July 2020	1,701,265
Surplus for the year	1,175,810
Balance at 30 June 2021	2,877,075

2020	Accumulated Funds \$
Balance at 1 July 2019	1,643,289
Surplus for the year	57,976
Balance at 30 June 2020	1,701,265

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 \$	2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from government contributions, membership subscriptions, co operative activities and other grants		10,751,313	12,931,132
Payments to suppliers, contractors and employees		(8,531,652)	(12,024,786)
Interest received		63,861	144,189
Interest paid		(104,020)	(115,705)
Net cash provided by (used in) operating activities	11(a)	2,179,502	934,830
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment	5(a)	-	(11,772)
Net cash used by investing activities		-	(11,772)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Repayment of lease liabilities		(416,766)	(378,684)
Net cash used by financing activities		(416,766)	(378,684)
Net increase (decrease) in cash and cash equivalents held		1,762,736	544,374
Cash and cash equivalents at beginning of year		11,569,063	11,024,689
Cash and cash equivalents at end of financial year	3	13,331,799	11,569,063

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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 21 September 2021.

(b) Significant changes in the current report period

Impact of COVID-19 on operations

In March 2020 the World Health Organisation (WHO) declared the Coronavirus disease 2019 (COVID-19) to be a pandemic. The Australian Government together with State and Territory Premiers announced a series of measures aimed at preventing the spread of COVID-19, which have adversely impacted the Australian economy. These measures, particularly the effective closure of Australia's borders to international visitors, have had a significant impact on the operations of BESydney.

The Board and Management of BESydney implemented a range of operational and financial strategies to minimise the impact on the operations of the entity. BESydney expanded its traditional focus of securing international business to encompass building Sydney's brand in the domestic business events market and to bid to secure domestic business events to Sydney, where it could add value. While ongoing travel restrictions and changing Public Health Orders have impeded BESydney's progress in both its domestic and international market objectives, 2020-21 has been a year of considerable achievement.

At the date of this report the Greater Sydney area remains subject to lockdown orders, effectively curtailing the opportunity for any business events to be held at this time. However, the publication of the four-phase re-opening road map together with the accelerated take-up on vaccinations provides optimism that there will be a return to business events being held in the short to medium term.

In the meantime BESydney's 2020-21 focus on its transformation of its people and systems, together with the expansion of its insights and analytical capability provides the Company with a flexible platform from which to grow when markets start to return.

The viability of the entity remains strong with funding for financial year ending 30 June 2022 confirmed by government partners Destination NSW and Place Management NSW.

(c) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year. When the Company applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period will be presented.

(d) Income Tax

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

(e) Revenue and other income

Operating grants, contributions and donations

When the Company receives operating grant revenue, contributions or donations, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance with AASB 15 Revenue from Contracts with Customers. When both these conditions are satisfied, the Company:

- Identifies each performance obligation relating to the grant;
- Recognises a contract liability for its obligations under the agreement; and
- Recognises revenue as it satisfies its performance obligations.

Where the contract is not enforceable or does not have sufficiently specific performance obligations, the Company:

- Recognises the asset received in accordance with the recognition requirements of other applicable Accounting Standards;
- Recognises related amounts (being lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer); and
- Recognises income immediately in surplus or deficit as the difference between the initial carrying amount of the asset and the related amount.

If a contract liability is recognised as a related amount above, the Company recognises income in surplus or deficit when or as it satisfies its obligations under the contract.

Membership and Strategic Partnership revenue

Membership subscriptions and Strategic Partnership revenue are recognised on a proportionate basis over the period of the subscription. The amount attributed to the period subsequent to balance date is recorded as a liability.

BESydney offered its members and strategic partners' complimentary membership throughout the financial year, providing support to its COVID-19 impacted member community. This resulted in an extension of the period over which the 2019/20 memberships have been recognised.

Capital grants

When the Company receives a capital grant, it recognises a liability for the excess of the initial carrying amount of the

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

financial asset received over any related amounts (being lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer), recognised under other Australian Accounting Standards.

The Company recognises income in surplus or deficit when or as the Company satisfies the obligations under the terms of the grant.

Interest income

Interest income 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 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

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 which 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 trade date, 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 – 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 \$5,000 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
Furniture, fixture and fittings	11.25% - 40%
Office equipment	11.25% - 40%

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Fixed asset class	Depreciation rate
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 remain unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(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) Contract liabilities

When an amount of consideration is received from a customer prior to the Company transferring the services to the customer, the Company presents the unsatisfied (or

partially unsatisfied) performance obligations as current liabilities.

The contract liability represents the unused amounts of grants that were received, grant funds received in advance for service delivery to be performed in a future period and committed funding.

Committed funding means, at balance date, grant funds that the Company is contractually and irrevocably obliged to pay to a third party in respect of any part of an activity and are identified in a written contractual arrangement between the Company and the third party.

(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.

(l) 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

At inception of a contract, the Company assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Company where the Company is a lessee. However, all contracts that are classified as short-term leases (i.e. a lease with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Company uses the incremental borrowing rate. Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- lease payments under extension options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, and lease payments made at or before the commencement date, as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated amortisation and impairment losses.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Right-of-use assets are amortised over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company anticipates exercising a purchase option, the specific asset is amortised over the useful life of the underlying asset.

(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 accounting 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 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.

(i) 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.

(ii) 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.

(iii) Key judgements - Performance obligations under AASB 15

To identify a performance obligation under AASB 15: Revenue from Contracts with Customers, the promise must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the promise is sufficiently specific by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised goods or services. In making this assessment, management includes the nature, value, quantity and period of transfer related to the goods or services promised.

(iv) Lease term and option to extend under AASB 16

The lease term is defined as the non-cancellable period of a lease together with periods covered by an option to extend the lease if the lessee is reasonable certain to exercise that option, and also periods covered by an option to terminate the lease if the lessee is reasonable certain not to exercise that option. The options that are going to be exercised is a key judgement that the Company will make. The Company determines the likelihood to exercise the options on a lease-by-lease basis, looking at various factors such as which assets are strategic and which are key to the future operations of the Company.

(s) Economic dependence

Business Events Sydney Limited is dependent on NSW Government funding for the majority of its revenue used to operate the business. At the date of this report the Company has annual funding agreements in place for the year ending 30 June 2022. While there is no reason to expect that these agreements will not be renewed for the year ended 30 June 2023, any sharp reduction in funding would impact on BESydney's ability to operate.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021 \$	2020 \$
2 Revenue and other income		
REVENUE FROM CONTRACTS WITH CUSTOMERS		
NSW Government contribution	8,603,000	9,047,750
Local Government contribution	-	248,706
Membership subscriptions & sponsorship	479,443	1,104,639
Total revenue from Contracts with Customers	9,082,443	10,401,095
OTHER REVENUE FROM ORDINARY ACTIVITIES		
Investment revenue	63,861	144,189
Export market development grant	100,000	150,000
Sundry income	20,337	-
Total other revenue from ordinary activities	184,198	294,189
OTHER REVENUE FROM NON-OPERATING ACTIVITIES		
- Federal Government - JobKeeper	420,000	369,000
- Federal Government - Cashflow Boost	100,000	-
Total other revenue from non operating activities	520,000	369,000
Total revenue & other income	9,786,640	294,189
3 Cash and cash equivalents		
Cash at bank	2,885,604	2,202,776
Short term bank deposits	10,143,836	9,063,928
Term deposits (a)	302,359	302,359
	13,331,799	11,569,063
(a) Charge held by landlord of \$302,359 for Sydney office rental bond.		
4 Trade and other receivables		
CURRENT		
Trade receivables	6,380	138,380
Other receivables	-	123,000
	6,380	261,380

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021 \$	2020 \$
5 Property, plant and equipment		
FURNITURE, FIXTURE AND FITTINGS		
At cost	115,139	115,139
Accumulated depreciation	(115,139)	(115,139)
Total furniture, fixture and fittings	-	-
OFFICE EQUIPMENT		
At cost	264,381	264,381
Accumulated depreciation	(251,176)	(202,493)
Total office equipment	13,205	61,888
COMPUTER SOFTWARE		
At cost	157,950	157,950
Accumulated depreciation	(157,950)	(157,950)
Total computer software	-	-
LEASEHOLD IMPROVEMENTS		
At cost	484,890	484,890
Accumulated depreciation	(484,890)	(484,890)
Total leasehold improvements	-	-
TOTAL PROPERTY, PLANT AND EQUIPMENT	13,205	61,888

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 \$
Balance at the beginning of year	-	61,888	-	-	61,888
Additions	-	-	-	-	-
Disposals written down value	-	-	-	-	-
Depreciation expense	-	(48,683)	-	--	(48,683)
Balance at the end of the year	-	13,205	-	-	13,205

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021 \$	2020 \$
6 Right of use assets		
The Company lease portfolio includes office premises and a photocopier.		
LEASED OFFICE PREMISES		
Balance at beginning of year	2,543,461	2,543,461
Accumulated amortisation	(929,480)	(464,740)
	1,613,981	2,078,721
LEASED OFFICE EQUIPMENT		
Balance at beginning of year	46,016	46,016
Accumulated amortisation	(24,542)	(12,271)
	21,474	33,745
	1,635,455	2,112,466
(a) AASB 16 related amounts recognised in the statement of surplus or deficit and other comprehensive income		
Amortisation charge related to right of use assets	477,011	477,011
Interest expense on lease liabilities	104,020	115,705
7 Trade and other payables		
CURRENT		
Unsecured liabilities		
Trade payables	1,815,107	1,771,093
	1,815,107	1,771,093

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021 \$	2020 \$
8 Employee benefits		
CURRENT		
Annual leave	374,779	404,138
Long service leave	314,536	291,920
Performance based remuneration (a)	-	28,771
	689,315	724,829
NON CURRENT		
Long service leave	239,946	235,430
Performance based remuneration (a)	-	28,771
	239,946	264,201
The Company discontinued all performance based incentive plans from January 2020.		
9 Other liabilities		
CURRENT		
Contract liabilities	7,541,988	6,916,588
Membership in advance	67,634	500,872
	7,609,622	7,417,460

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021 \$	2020 \$
10 Provisions		
NON CURRENT		
Provision for lease make good on Sydney office	98,972	97,895
Total	98,972	97,895
11 Cash flow		
(a) RECONCILIATION OF RESULT FOR THE YEAR TO CASHFLOWS FROM OPERATING ACTIVITIES		
Reconciliation of net surplus to net cash provided by operating activities:		
Operating surplus	1,175,810	57,976
Non cash flows in operating surplus:		
- depreciation & amortisation	525,694	694,007
- net (gain) / loss on disposal of assets	-	15,918
Changes in assets and liabilities:		
- (increase)/decrease in debtors	255,000	1,018,301
- (increase)/decrease in other assets	45,514	29,801
- increase/(decrease) in funding in advance	192,162	(354,684)
- increase/(decrease) in trade and other payables	44,014	(469,856)
- increase/(decrease) in employee benefits	(58,692)	(56,633)
Cash flow from operating activities	2,179,502	934,830

Credit standby arrangements with banks

The Company has a credit card facility amounting to \$50,000 (2020: \$ 50,000). As at 30 June 2021, \$2,864 of this facility was used (2020: \$ 2,026). These facilities are secured by a charge over term deposits valuing \$50,000.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021 \$	2020 \$
12 Key management personnel remuneration		
(a) TOTALS DIRECTORS' REMUNERATION		
Directors' Fees	87,203	89,653
Superannuation	6,586	6,957
Total Directors' Remuneration	93,789	96,610
Number of Remunerated Directors	5	4
The number of remunerated directors reflects the number of people remunerated as distinct from the number of positions on the Board. The change from prior year reflects a change on the Board during the 2021 financial year.		
(b) TOTAL EXECUTIVE PERSONNEL REMUNERATION		
Executive personnel remuneration for the financial year, as described in note 1(p)		
Fixed Salary	1,086,238	1,112,959
Superannuation	89,930	90,831
Total Fixed Remuneration	1,176,168	1,203,790
"At Risk" Performance Related Benefits		
Short Term Incentive Plan	-	45,809
Total Executive Personnel Remuneration	1,176,168	1,249,599
Number of Executive positions	4	4

Performance Related Benefits for the Executive are provided under formal plans, reviewed and approved by the Board annually and administered by the Governance, Nomination and Remuneration Committee.

An Executive Leadership Team Short Term Incentive Program (ELT STIP) in operation for calendar year 2019 was discontinued from calendar year 2020 onwards due to COVID-19 impacts to the business.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

(c) Executive personnel remuneration by band

The remuneration of the Executive fell within the following bands:

Short Term Employee Benefits

Short Term Employee Benefits consists of contracted salary, parking arrangements, contributions by BESydney to a superannuation fund of the employee and performance related benefits.

	2021	2020
BAND ANALYSIS: FIXED REMUNERATION		
Executive Personnel		
\$200,000 - \$250,000	1	1
\$250,000 - \$300,000	2	2
\$400,000 - \$450,000	1	1
Total	4	4

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**

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