



BUSINESS EVENTS  
SYDNEY

BESYDNEY 2019—2020


# FINANCIAL REPORT

ABN 42 002 630 364









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# DIRECTORS REPORT

For the Year Ended 30 June 2020

The directors present their report on Business Events Sydney Limited (BESydney) for the financial year ended 30 June 2020.

## 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

Mr Peter Grey

Dr Marlene Kanga AM

Ms Sandra Chipchase *Resigned 13/11/19*

Mr Scott Boyes

Mr James Granter

Mr George Souris

Mr Malcolm Zancanaro *Resigned 13/07/20*

Mr Steve Cox *Appointed 14/05/20*

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. Board Member of the Sydney Opera House.

**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 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 a Director in the Office of the NSW Premier, having previously been Chief of Strategic Initiatives and CEO of the NUW Alliance at UNSW. His prior positions include Chief of Staff to the NSW Attorney General and the NSW Environment and Heritage Minister and General Manager of Commercial Operations at Evolve Housing. He commenced his career as a corporate lawyer having graduated from Sydney University with a BA/LLB(Hons). He is a director of Lifeline Northern Beaches and also volunteers his time as a patrol captain at Manly Life Saving Club.



### Mr Peter Grey

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

**Independent:** Yes

**Current directorships:** Chair, MLC Ltd, Chair of the Nominations Committee, Chair of the Remuneration Committee and a Member of the Disclosure Committee – MLC Ltd.

**Other interests:** 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.





# DIRECTORS REPORT

For the Year Ended 30 June 2020

## 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, Standards Australia, NSW Smart Sensing Network, iOmniscient Pty Ltd

**Professional affiliations:** Dr Marlene Kanga is committed to increasing diversity and a culture of inclusion and promotes and support innovation and start-ups.

Honorary Fellow of the Institute of Engineers Australia, Honorary Fellow of 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 & 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 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.



As a passionate and energetic champion for Sydney and regional NSW, Steve's focus is spearheading the strategic direction of Destination NSW including the review of the Visitor Economy Industry Action Plan 2030 to ensure NSW is the world's most successful tourism and events destination.

## Mr 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. Directorships of State Library Foundation, Destination New South Wales, 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 7 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 National Party.

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.

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



## 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 for the company. Before serving Dymocks, Steve held senior roles in the fashion sector with David Jones and the Specialty Fashion Group. Steve holds an MBA with Macquarie University – Graduate School of Management and was a member of the Business Advisory Council for Greenfleet, a leading environmental not-for-profit organisation.



## 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



# DIRECTORS REPORT

For the Year Ended 30 June 2020

**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.

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## Mr James Granter

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



**Independent:** No

**Current directorships:** Nil

**Other interests:** 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 Councilor 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.

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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 (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 high speed 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.

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## 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 2020 the collective liability of members was \$ 6,250 (2019: \$ 7,550).

## 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

In the second half of the financial year, the Global COVID-19 pandemic resulted in an immediate and significant disruption to the global events sector, the primary focus of BESydney's operations. It is anticipated that international border closures, reduced airline capacity and restrictions on mass gatherings will continue well into 2021. Recognising the substantial risk the continued COVID-19 impact presents to the survival of a viable Sydney business events industry, BESydney's Board and private/public sector funders have agreed to broaden the focus of the company's business event acquisition and destination promotion expertise to take in the domestic business events market.

## Company Purpose and Goals

# DIRECTORS REPORT

For the Year Ended 30 June 2020

BESydney adopted a new Purpose Statement which 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*

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 organisational purpose and operational plans.

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

### Operating results

The surplus of the Company amounted to \$ 57,976 (2019: \$ 29,928). No income tax expense is charged or is payable as the Company claims an exemption from income tax under Income Tax Assessment Act.

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 increasingly complex and sophisticated, requiring the retention of a highly skilled team of specialists. Employee costs account for 64% of total expenditure. Marketing activities continued to be focused on 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 \$1.7m.

### 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. BESydney seeks to manage these risks by operating in three target markets (international association meetings, corporate meetings and corporate incentive programs) and across three key geographical markets (Asia Pacific, Europe and North America). This diversified approach has been insufficient to fully mitigate the impact of COVID-19

on our business.

While the NSW Bushfires in early 2020 had little impact on BESydney business in the short term, initial concerns that the extensive media coverage globally may impact business in the longer term have likely been negated by the more detrimental impact of the global pandemic - the effects of which have been evident on BESydney business since February 2020.

Organisational agility has come to the fore this year with the annual business planning process and regular board reviews having been revised in light of the pandemic, and strategies implemented to minimise impact where possible. A focus area BESydney is now engaged in is domestic business event acquisition and promotion (further noted under iii. Marketing and Communications Activities).

Results this year have been significantly impacted by the COVID-19 pandemic. Global travel restrictions and the NSW Government's Public Health Orders have already and are expected to continue to impact international business meeting acquisition in the short to medium term. BESydney is actively focused on long-lead (post 2021) business, with current bids in play to be held through to the end of the decade.

### i. Events secured

During 2019-20 BESydney secured 49 global meetings, which are/were expected to attract 39,200 delegates staying 198,400 delegate days and expected to generate in excess of an estimated \$167 million in direct expenditure to the State's economy. Since March 2020 BESydney has maintained a primary focus on securing longer-lead industry association global meetings, although at a reduced activity level reflecting the market conditions. Activity in the short-lead Asian incentive business has been reduced to relationship management and preparation for a return to market when conditions allow. The resultant impact on last quarter outcomes was a reduction in the number of secured global meetings for 2019-20 compared to the previous financial year.

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

- **Chinese Incentive 2019**  
Bringing together 1,600 top cosmetic salespeople staying 4,800 delegate days and generating an estimated \$5m in direct expenditure.
- **Annual Conference on Neural Information Processing Systems (NeurIPS) 2021**  
This multi-track machine learning and computational neuroscience conference expects to attract 9,300 delegates staying 65,100 delegate days and generating an estimated \$43m in direct expenditure.
- **Global Investigative Journalism Conference 2021**  
This biennial conference will attract 1,250 investigative and data journalists staying 5,000 delegate days and generating an estimated \$3m in direct expenditure.

# DIRECTORS REPORT

For the Year Ended 30 June 2020

- **World Pride's Human Rights and Health Conference 2023**

The meeting point for activists, artists, educators, journalists, policymakers, students, and others engaged in LGBTQIA+ human rights around the world. Attracting 600 delegates staying 1,800 delegate days and generating estimated \$1m in direct expenditure.

- **Confidential Science Congress 2025**

1,500 professionals in the academic and industrial research communities staying 9,000 delegate days and generating an estimated \$7m in direct expenditure.

The full impact of the global pandemic on BESydney's meetings calendar and forward business will be dependent on many factors, including the duration of border closures and gathering restrictions, and the subsequent impact on the sector's global client base, local host organisations, and the Australian tourism supply chain. Numbers noted above are estimated as at 30 June 2020 and are subject to change.

## ii. Events held

Fifty (50) global meetings previously secured by BESydney were delivered in 2019-20, generating in excess of \$104 million in direct expenditure for the State's economy. Due to the impact of COVID-19, this was significantly less than the previous year in which 88 global meetings generating in excess of an estimated \$228 million were held. Note that 18 events with an estimated direct expenditure of \$110m secured to be held in the second half of 2019/20 were cancelled or postponed due to COVID-19 restrictions, together with additional short lead business which would traditionally have been won and held in this period.

Listed below are some highlight events held in Sydney during the year:

- **RoboCup 2019**

Bringing 2,700 delegates staying 16,000 delegate days spending an estimated \$11m in direct expenditure for the local economy.

- **World Scholar's Cup – Global Round 2019**

Attracting over 2,100 delegates staying 10,600 delegate days and spending an estimated \$9m in direct expenditure.

- **MDRT Global Conference 2019**

Attracting 7,100 delegates staying 28,200 delegate days and spending an estimated \$21m in direct expenditure.

- **China Gather Love & Pass Heath Distributor Incentive**

Attracting 850 delegates staying 5,100 delegate days and spending an estimated \$6m in direct expenditure to 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. The first half of FY2019/20 focussed on BESydney's 50th Anniversary celebrations, the 10th Anniversary of BESydney's Global Ambassador Program and destination marketing activities.

The COVID-19 global pandemic impacted the marketing and communications operations of the business, with BESydney making a significant adjustment to its activities during the second half of FY2019/20. While continuing to focus on the organisation's core business of acquiring future international business events for Sydney and NSW, a revised business plan and strategic priorities sharpened the organisation's focus on marketing and communications activities:

- Commencement of the development of a new dedicated microsite targeting the domestic market underpinned by enhancements to the existing online supplier search functionality;
- Core market recovery plans to leverage staged recovery;
- Digital transformation to enhance the organisation and Sydney's competitiveness post-COVID-19.

## 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 FY19/20 included:

- **Story Capture luncheon** – to recognise the milestone year and those that have contributed to the organisation's success. The luncheon was filmed to capture both an oral and digital story record.
- **50th Anniversary Partner Celebration** – to recognise this milestone and the contribution of funding and industry partners, BESydney held a celebratory event following the Annual General Meeting.
- **BESydney 50th Anniversary Blog** – to capture the year of celebrations as a time capsule, a dedicated blog documented the highs and lows of the past 50 years as well as the milestones of the anniversary celebrations.
- **Digital Timeline** – production of a digital timeline to round out the year's celebrations documenting the past 50 years of BESydney's development.

## Destination marketing

Prior to COVID-19 BESydney's strategic international and domestic marketing activities showcased Sydney as a premier global meetings destination and included:

- **Ongoing trade media** story placement with new imagery, new product and new storytelling.
- **IMEX Las Vegas**, October 2019: Sydney stand shared with ICC Sydney.
- **Advertising** to raise the profile of Sydney, and BESydney as the expert bidding services partner in international and domestic markets and including placements in Qantas InFlight, and Company Director (AICD).



# DIRECTORS REPORT

For the Year Ended 30 June 2020

## Awards and accolades

- Sydney remained the top Australian city for global meetings, and made it back into the top 20 (ranked at no. 20) for the first time since 2013, in the (ICCA) City Rankings.
- Sydney continued to maintain Australia's leading city position in the Union of International Associations (UIA) rankings, also holding the no. 20 position globally.
- BESydney was awarded the ABA100 Winner for Business Innovation in The Australian Business Awards 2019.

## 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.

We continued to foster collaboration, share insights and strengthen relationships with our Strategic Partner and Member community throughout the year:

- **Biannual update for Strategic Partners:** November 2019 and April 2020 (broadcast virtually due to COVID-19). This event provides an update for partners on BESydney's strategic initiatives and priorities, as well as an insight into BESydney's outlook across key business channels.
- **CEO Roundtable Luncheon for Strategic Partners:** August 2019. This annual event for senior-level representatives of BESydney's Strategic Partners provides a forum to discuss relevant industry issues as 'Team Sydney' and explore how we can work together with the NSW Government to continue advancing Sydney's position globally. The event was attended by The Hon. Minister Stuart Ayres MP, NSW Minister for Jobs, Investment, Tourism and Western Sydney.
- **Asia-Pacific Incentives and Meetings Event (AIME) 2020:** February 2020. BESydney exhibited at the annual AIME, as part of the Destination NSW Regional Conferencing stand. An important tradeshow for our partner community, BESydney represented Sydney as a meetings and incentive destination in support of industry stakeholders.
- **Hotel General Manager Meeting:** March 2020, General Managers from BESydney Strategic Partner and Member hotels were invited to this roundtable meeting with the BESydney Executive team. Given the macro environmental issues at this time, with the impact of the 2020 Australian bushfires and outbreak of COVID-19, this meeting was focused on developing agreed advocacy areas that together BESydney and its hotel partners could champion as a collective.
- **BESydney Buzz newsletter:** This newsletter provides partners and members with information regarding key BESydney initiatives, global activity, bid wins, industry news and partner updates, as well as communication from the BESydney Member Directors. Due to the bushfire crisis and COVID-19 in the first half of 2020 additional communication was to share resources for our partner community.
- **Business Events Industry Working Group:** convened by BESydney at the request of Minister Ayres to prepare guidelines for the COVIDSafe delivery of business events in NSW. BESydney developed Guidelines for the sector and presented these to the NSW Ministerial Business Restart Committee on behalf of the industry.

## BESydney Global Ambassador Dinner

In 2019 the BESydney Global Ambassador Program celebrated its 10th Anniversary. In honour of this milestone occasion, BESydney celebrated with the largest turn out for the annual Global Ambassador Dinner. Held in November 2019 the annual event is dedicated to honouring our network of Global Ambassadors, and this year included the induction of four new Ambassadors to the Program:

- Scott Farquhar, Co-Founder and Co-CEO, Atlassian
- Mike Cannon-Brookes, Co-Founder and Co-CEO, Atlassian
- Pip Marlow, CEO, Salesforce ANZ
- Elizabeth Broderick AO, Principal, Elizabeth Broderick and Co

The contribution of the Global Ambassadors was honoured by the presence of Program Patron, NSW Premier Gladys Berejiklian, The Hon. Minister Stuart Ayres MP, NSW Minister for Minister for Jobs, Investment, Tourism and Western Sydney and The Hon. Victor Dominello, NSW Minister for Customer Service. In 2019 the Australia Oration was delivered by newly inducted BESydney Global Ambassador and Co-Founder and Co-CEO of Atlassian, Scott Farquhar. The Oration was followed by an in-depth conversation with the evening's MC, Peter van Onselen. 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 conducts third party quality assurance research 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, strategic partners & members as well as Asian market clients were not included in report due to the upheaval of their business' due to COVID-19. 14 government stakeholders and 41 clients were interviewed in three waves during the year.

Results this year continued to be outstanding, with a summary of key measures noted below:

- All indicators consistently high in line with previous years - Engagement Index of 90

# DIRECTORS REPORT

For the Year Ended 30 June 2020

- All indicators well above best practice benchmarks

	Recommendation Mean Score	Engagement Index (ACE®)	Net Promoter core (NPS®)
2020 Overall	92	90	+74
Best Practice (B2B) Benchmarks	85+	85+	>+50

## 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 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, including remote working for all staff (from home) until further notice and all face-to-face meetings replaced with remote teleconferencing. Strategic priorities were updated to reflect the expanded remit of the company, and the rapidly changing operating environment.

BESydney experienced a significant income reduction in the last quarter of the financial year from both its public and private partners, as the pandemic measures resulted in the cessation of all business events. BESydney has rehomed the majority of the conferences planned for 2020 to later years and has extended membership terms for strategic partners and the membership base, maintaining strong engagement with members and strategic partners. BESydney also enrolled in the JobKeeper government support initiative.

The viability of the entity remains strong with funding for FY2020/21 confirmed by government partners Destination NSW and Place Management NSW. While the effects of the pandemic on BESydney operations will continue into FY2020/21, operational and strategic priorities have been reassessed to ensure business continuity.

## 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 2019 by the partnership. 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	4
Mr Peter Grey	5	5
Dr Marlene Kanga AM	5	4
Mr George Souris	5	5
Ms Sandra Chipchase	3	3
Mr Scott Boyes	5	4
Mr James Granter	5	4
Mr Malcolm Zancanaro	5	5

### Board Sub Committees

#### 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 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 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

For the Year Ended 30 June 2020

During the financial year, 4 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)	4	4
The Hon. Bruce Baird AM	4	4
Dr Marlene Kanga AM	4	3
Mr John Kelly	4	4

## 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, 4 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)	4	4
The Hon. Bruce Baird AM	4	4

## 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

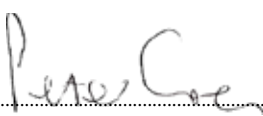
a wilful breach of duty by the directors or the improper use by the directors of their position or of any information to gain advantage for themselves or someone else to cause detriment to the entity.

## 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 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 22 September 2020

## 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 2020, 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)

Director:   
Mark O'Connor

Dated 3 September 2020

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 2020, 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 2020 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](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

28 September 2020

NEWCASTLE




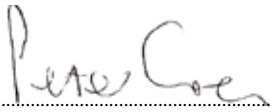
# DIRECTORS DECLARATION

**The Directors of the Company declare that:**

1. The financial statements and notes, as set out on pages 14-31, 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 2020 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(t) 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 .....   
Mr Peter Grey

Dated 22 September 2020

# STATEMENT OF SURPLUS OR DEFICIT AND OTHER COMPREHENSIVE INCOME

## FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
Revenue	2	11,064,284	11,704,470
Occupancy expense		(56,594)	(514,324)
Employee costs		(7,074,018)	(7,508,929)
Depreciation and amortisation expense		(694,007)	(253,331)
Sales & Marketing expense		(1,847,405)	(1,852,641)
Interest expense on lease liabilities		(115,705)	-
Administration expense		(1,218,579)	(1,545,317)
Surplus / (deficit) before income tax		57,976	29,928
Income tax expense	1(e)	-	-
Surplus / (deficit) after income tax		57,976	29,928
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>57,976</b>	<b>29,928</b>

The accompanying notes form part of these financial statements.



# STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	Note	2020 \$	2019 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	3	11,569,063	11,024,689
Trade and other receivables	4	261,380	1,279,681
Prepayments		182,739	212,540
<b>TOTAL CURRENT ASSETS</b>		<b>12,013,182</b>	<b>12,516,910</b>
<b>Non current assets</b>			
Property, plant and equipment	5	61,888	283,030
Right of use assets	6	2,112,466	-
<b>TOTAL NON CURRENT ASSETS</b>		<b>2,174,354</b>	<b>283,030</b>
<b>TOTAL ASSETS</b>		<b>14,187,536</b>	<b>12,799,940</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	7	1,771,093	2,240,949
Employee benefits	8	724,829	799,192
Other liabilities	9	7,417,460	7,772,144
Lease liabilities		428,424	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>10,341,806</b>	<b>10,812,285</b>
<b>Non current liabilities</b>			
Employee benefits	8	264,201	230,698
Long term provisions	10	97,895	113,668
Lease liabilities		1,782,369	-
<b>TOTAL NON CURRENT LIABILITIES</b>		<b>2,144,465</b>	<b>344,366</b>
<b>TOTAL LIABILITIES</b>		<b>12,486,271</b>	<b>11,156,651</b>
<b>NET ASSETS</b>		<b>1,701,265</b>	<b>1,643,289</b>
<b>FUNDS</b>			
Accumulated Funds		1,701,265	1,643,289
<b>TOTAL FUNDS</b>		<b>1,701,265</b>	<b>1,643,289</b>

The accompanying notes form part of these financial statements.

## STATEMENT OF CHANGES IN FUNDS FOR THE YEAR ENDED 30 JUNE 2020

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

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

The accompanying notes form part of these financial statements.

# STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from government contributions, membership subscriptions, co operative activities and other grants		12,931,132	12,307,751
Payments to suppliers, contractors and employees		(12,024,786)	(12,602,791)
Interest received		144,189	232,832
Interest paid		(115,705)	-
<b>Net cash provided by (used in) operating activities</b>	12(a)	<b>934,830</b>	<b>(62,208)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Purchase of property, plant and equipment	5(a)	(11,772)	(129,003)
<b>Net cash used by investing activities</b>		<b>(11,772)</b>	<b>(129,003)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Repayment of lease liabilities		(378,684)	-
<b>Net cash used by financing activities</b>		<b>(378,684)</b>	<b>-</b>
Net increase (decrease) in cash and cash equivalents held		544,374	(191,211)
Cash and cash equivalents at beginning of year		11,024,689	11,215,900
<b>Cash and cash equivalents at end of financial year</b>	3	<b>11,569,063</b>	<b>11,024,689</b>

The accompanying notes form part of these financial statements.



# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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 22 September 2020.

### (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, including remote working for all staff (from home) until further notice and all face to face meetings replaced with remote teleconferencing. Strategic priorities were updated to reflect the broadening of the company's focus to take in business event acquisition and destination promotion in the domestic business events market.

BESydney experienced a significant income reduction in the last quarter of the financial year from both its public and private partners, as the pandemic measures resulted in the cessation of all business events. BESydney has rescheduled the majority of the conferences planned for 2020 to later years and has extended membership terms for strategic partners and the membership base, maintaining strong engagement with members and strategic partners. BESydney also enrolled in the JobKeeper government support initiative.

The viability of the entity remains strong with funding for FY2020/21 confirmed by government partners Destination NSW and Place Management NSW. While the effects of

the pandemic on BESydney operations will continue into FY2020/21, operational and strategic priorities have been reassessed to ensure business continuity.

### (c) Adoption of New and Revised Accounting Standards

During the current year, the Company adopted all of the new and revised Australian Accounting Standards and interpretations applicable to its operations which became mandatory.

The Company applies for the first time, AASB 15: Revenue from Contracts with Customers, AASB 1058: Income of Not for Profit Entities and AASB 16: Leases.

#### **i AASB 15: Revenue from Contracts with Customers**

The Company has adopted AASB 15: Revenue from Contracts with Customers, with an initial application date of 1 July 2019.

The Standard introduces a single, principles based, five step model for recognising revenue and introduces the concept of recognising revenue when an obligation to a customer is satisfied.

The new standard has been adopted using the modified retrospective approach. Under this approach, the cumulative effect of initial application is recognised as an adjustment to the opening balance of accumulated funds as at 1 July 2019 and comparatives are not restated. In accordance with the transition guidance, AASB 15 has only been applied to contracts that were incomplete as at 1 July 2019.

The Company has assessed that the application of AASB 15 has not materially impacted the measurement or timing of recognition of any revenue from contracts with customers.

#### **ii AASB 1058: Income of Not for Profit Entities and associated Amending Standards**

The Company has adopted AASB 1058: Income of Not for Profit Entities, with an initial application date of 1 July 2019. The Standard replaces the existing requirements in AASB 1004: Contributions and clarifies the income recognition requirements that apply to Not for Profit entities, in conjunction with AASB 15: Revenue from Contracts with Customers. On initial adoption of AASB 1058 there was no change to revenue recognition.

#### **iii AASB 16: Leases**

The Company has adopted AASB 16: Leases with an initial application date of 1 July 2019. As a result, the Company has changed its lease accounting policy as detailed below when compared to the comparative year (as detailed in Note 1(p)). AASB 16 replaces the provisions of AASB 117: Leases and provides a new lessee accounting model.

The new model requires a lessee to recognise a Right of Use asset and lease liability for all leases with a term of more than 12 months, unless the underlying asset is of low value. Lessor accounting remains the same under AASB 16 when compared to the requirements of AASB 117.

Under AASB 16, a lessee is required to recognise, at the commencement date of the lease, the present value of remaining non cancellable lease payments as a lease liability on the statement of financial position with a corresponding

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Right of Use asset. The unwind of the financial charge on the lease liability and the amortisation of the leased asset are recognised in the statement of comprehensive income based on the incremental borrowing rate and contract term respectively.

The Company did not restate prior year amounts reported, electing to use the modified retrospective approach at 1 July 2019 with the opening Right of Use asset for each lease equal to the corresponding lease liability.

The lease liabilities have been discounted using the incremental borrowing rate of 4.78%.

#### (i) Practical expedients applied

In applying AASB 16 for the first time, the Company has used the following practical expedients permitted by the standard:

- Applying a single discount rate to a portfolio of leases with reasonably similar characteristics
- Accounting for operating leases with a remaining lease term of less than 12 months as at 1 July 2019 as short term leases
- Using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Company has also elected not to reassess whether a contract is or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Company relied on its assessment made when applying AASB 117 and Interpretation 4: Determining whether an Arrangement contains a lease.

Reconciliation of opening lease liabilities balance	
Operating lease commitments disclosed as at 30 June 2019	<b>864,995</b>
Add: Adjustment due to treatment of option periods	<b>2,563,100</b>
Less: adjustment for low value assets	<b>(1,731)</b>
Less: adjustments for intangibles not recognised under AASB 16	<b>(319,292)</b>
Less: impact of discounting the future lease cashflows at the incremental borrowing rate	<b>(517,595)</b>
<b>Total</b>	<b>2,589,477</b>

#### (d) 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.

#### (e) 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.

#### (f) Revenue and other income

The Company has applied AASB 15: Revenue from Contracts with Customers (AASB 15) and AASB 1058: Income of Not for Profit Entities (AASB 1058) from 1 July 2019 on the basis as described in Note 1(c). The details of accounting policies under AASB 118 and AASB 1004 are disclosed separately since they are different from those under AASB 15 and AASB 1058, and the impact of those changes is disclosed below.

##### Current year

#### 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.

#### 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. 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 (for example AASB 9, AASB 16, AASB 116 and AASB 138);
- 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.

#### Capital grants

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

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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).

## Comparative period

## 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).

## (g) 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.

## (h) 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.

## (i) 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 (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.



# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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.

## (j) 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%
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 of deficit and other comprehensive income.

## (k) 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.

## (l) 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.

## (m) 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.

## (n) 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.

## (o) 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.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

## **(p) Leases**

As explained in Note 1(c), with the adoption of AASB 16: Leases, the Company has changed its accounting policy for leases where the Company is the lessee. The Company did not restate prior year amounts reported, electing to use the modified retrospective approach at 1 January 2019 with the opening right of use asset for each lease equal to the corresponding lease liability. The new policy is described below.

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.

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.

### **Comparative year**

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.

## **(q) 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.

## **(r) 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.

## **(s) 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.

### **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,

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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.

## **Key judgements - Performance obligations under AASB 15**

To identify a performance obligation under AASB 15, 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.

## **(t) 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 2021. While there is no reason to expect that these agreements will not be renewed for the year ended 30 June 2022, any sharp reduction in funding would impact on BESydney's ability to operate.



# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020 \$	2019 \$
<b>2 Revenue and Other Income</b>		
<b>REVENUE FROM CONTRACTS WITH CUSTOMERS</b>		
NSW Government contribution	9,047,750	9,791,000
Local Government contribution	248,706	88,462
Membership subscriptions & sponsorship	1,104,639	1,525,120
	<b>10,401,095</b>	11,404,582
<b>OTHER INCOME</b>		
Investment revenue	144,189	232,832
Export market development grant	150,000	67,057
Federal Government JobKeeper	369,000	-
	<b>663,189</b>	299,889
<b>Total revenue &amp; other income</b>	<b>11,064,284</b>	11,704,470
<b>3 Cash and cash equivalents</b>		
Cash on hand	-	130
Cash at bank	2,202,776	2,338,995
Short term bank deposits	9,063,928	8,458,414
Term deposits (a)	302,359	227,150
	<b>11,569,063</b>	11,024,689
(a) Charge held by landlord of \$302,359 for Sydney office rental bond.		
<b>4 Trade and other receivables</b>		
<b>CURRENT</b>		
Trade receivables	138,380	1,224,381
Other receivables	123,000	55,300
	<b>261,380</b>	1,279,681

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020 \$	2019 \$
<b>5 Property, plant and equipment</b>		
<b>FURNITURE, FIXTURE AND FITTINGS</b>		
At cost	115,139	130,357
Accumulated depreciation	(115,139)	(113,678)
<b>Total furniture, fixture and fittings</b>	-	16,679
<b>OFFICE EQUIPMENT</b>		
At cost	264,381	383,159
Accumulated depreciation	(202,493)	(229,933)
<b>Total office equipment</b>	61,888	153,226
<b>COMPUTER SOFTWARE</b>		
At cost	157,950	157,950
Accumulated depreciation	(157,950)	(131,264)
<b>Total computer software</b>	-	26,686
<b>LEASEHOLD IMPROVEMENTS</b>		
Leasehold Improvements	484,890	569,099
Accumulated depreciation	(484,890)	(482,660)
<b>Total leasehold improvements</b>	-	86,439
<b>TOTAL PROPERTY, PLANT AND EQUIPMENT</b>	<b>61,888</b>	<b>283,030</b>

## 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	16,679	153,226	26,686	86,439	283,030
Additions	-	11,772	-	-	11,772
Disposals written down value	-	(15,918)	-	-	(15,918)
Depreciation expense	(16,679)	(87,192)	(26,686)	(86,439)	(216,996)
<b>Balance at the end of the year</b>	<b>-</b>	<b>61,888</b>	<b>-</b>	<b>-</b>	<b>61,888</b>

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020 \$	2019 \$
<b>6 Right of use assets</b>		
The Company lease portfolio includes office premises and a photocopier.		
<b>LEASED OFFICE PREMISES</b>		-
Opening balance	2,543,461	-
Accumulated amortisation	(464,740)	-
	2,078,721	
<b>LEASED OFFICE EQUIPMENT</b>		
Opening balance	46,016	-
Accumulated amortisation	(12,271)	-
	33,745	-
	2,112,466	-
<b>(a) AASB 16 related amounts recognised in the statement of surplus or deficit and other comprehensive income</b>		
Amortisation charge related to right of use assets	477,011	-
Interest expense on lease liabilities	115,705	-
<b>7 Trade and other payables</b>		
<b>CURRENT</b>		
<b>Unsecured liabilities</b>		
Trade payables	1,771,093	2,158,005
Other payables	-	82,944
	1,771,093	2,240,949

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020 \$	2019 \$
<b>8 Employee Benefits</b>		
<b>CURRENT</b>		
Annual leave	404,138	343,105
Long service leave	291,920	291,086
Performance based remuneration (a)	28,771	165,001
	<b>724,829</b>	799,192
<b>NON CURRENT</b>		
Long service leave	235,430	176,708
Performance based remuneration (a)	28,771	53,990
	<b>264,201</b>	230,698
<b>(a) Performance based remuneration</b>		
Performance based remuneration current	28,771	165,001
Performance based remuneration non current	28,771	53,990
<b>Total</b>	<b>57,542</b>	218,991
<p>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.</p>		
<b>9 Other liabilities</b>		
<b>CURRENT</b>		
Contract liabilities	6,916,588	7,160,843
Membership in advance	500,872	611,301
	<b>7,417,460</b>	7,772,144



# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020 \$	2019 \$
<b>10 Provisions</b>		
<b>NON CURRENT</b>		
Provision for lease make good on Sydney office	97,895	113,668
<b>11 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
- later than one year	-	163,683
- not later than five years	-	42,281
	-	864,995
<p>The Company leases various office premises under non cancellable operating leases. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are re negotiated.</p> <p>The Company has adopted AASB 16: Leases from 1 July 2019. Details of the transition to the new standard are disclosed in Note 1(c) with lease liabilities now disclosed in the statement of financial position.</p>		
<b>12 Cash Flow</b>		
<b>(a) RECONCILIATION OF RESULT FOR THE YEAR TO CASHFLOWS FROM OPERATING ACTIVITIES</b>		
Reconciliation of net surplus to net cash provided by operating activities:		
Net surplus for the year	57,976	29,928
Non cash flows in operating surplus:		
- depreciation & amortisation	694,007	253,331
- net (gain) / loss on disposal of assets	15,918	-
Changes in assets and liabilities:		
- (increase)/decrease in debtors	1,018,301	(691,826)
- (increase)/decrease in other assets	29,801	(91,045)
- increase/(decrease) in funding in advance	(354,684)	491,160
- increase/(decrease) in trade and other payables	(469,856)	(64,905)
- increase/(decrease) in employee benefits	(56,633)	11,149
<b>Cashflow from operations</b>	<b>934,830</b>	<b>(62,208)</b>

#### Credit standby arrangements with banks

The Company has a credit card facility amounting to \$50,000 (2019: \$ 50,000). As at 30 June 2020, \$2,026 of this facility was used (2019: \$ 1,057). These facilities are secured by a charge over term deposits valuing \$50,000.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020 \$	2019 \$
<b>13 Key Management Personnel Remuneration</b>		
<b>(a) TOTALS DIRECTORS' REMUNERATION</b>		
Directors' Fees	89,653	87,917
Superannuation	6,957	6,792
<b>Total Directors' Remuneration</b>	<b>96,610</b>	<b>94,709</b>
Number of Remunerated Directors	4	4
<b>(b) TOTAL EXECUTIVE PERSONNEL REMUNERATION</b>		
Executive personnel remuneration for the financial year, as described in note 1(q)		
Fixed Salary	1,112,959	923,331
Superannuation	90,831	71,840
<b>Total Fixed Remuneration</b>	<b>1,203,790</b>	<b>995,171</b>
"At Risk" Performance Related Benefits		
Short Term Incentive Plan	45,809	90,042
<b>Total Executive Personnel Remuneration</b>	<b>1,249,599</b>	<b>1,085,213</b>
Number of Executive positions	4	3

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

## 13 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 October 2019 the Executive team expanded from three to four members.

	2020	2019
<b>BAND ANALYSIS: FIXED REMUNERATION</b>		
Executive Personnel		
\$200,000 - \$250,000	1	-
\$250,000 - \$300,000	2	2
\$400,000 - \$450,000	1	-
\$450,001 - \$500,000	-	1
<b>Total</b>	<b>4</b>	<b>3</b>

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

"At Risk" 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.

The Executive Leadership Team Short Term 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 are 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. The ELT STIP has been cancelled by the Board for calendar year 2020 due to COVID 19 impacts to the business.

	2020	2019
Executive Personnel		
\$0 - \$50,000	4	3

#### (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 in respect of the financial year.

	2020	2019
<b>BAND ANALYSIS: TOTAL POTENTIAL REMUNERATION</b>		
Executive Personnel		
\$200,000 - \$250,000	1	-
\$250,000 - \$300,000	2	1
\$300,000 - \$350,000	-	1
\$450,000 - \$500,000	1	1
<b>Total</b>	<b>4</b>	<b>3</b>

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

## **14 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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