

**ABN 86 094 633 262  
BRISBANE ECONOMIC DEVELOPMENT AGENCY PTY LTD  
ANNUAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2021**

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## **BRISBANE ECONOMIC DEVELOPMENT AGENCY PTY LTD**

### **DIRECTORS' REPORT**

The directors present their report together with the financial report of Brisbane Economic Development Agency Pty Ltd (previously Brisbane Marketing Pty Ltd) ("the Company") for the financial year ended 30 June 2021 and the auditor's report thereon.

### **DIRECTORS**

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

Paul Spiro - Chairman  
Adam Penberthy  
Elizabeth Savage (departed October 2020)  
Helen Besly  
John Shepherd  
Sofie Formica

There is no designated Company Secretary

### **PRINCIPAL ACTIVITIES**

The Company's primary operations and responsibility is to drive long-term social and economic benefits to Brisbane and the greater Brisbane region.

### **OPERATING RESULTS**

The result from ordinary activities of the Company for the financial year ended 30 June 2021 was a surplus of \$1,502,241 (2020: \$80,988 surplus).

### **REVIEW OF OPERATIONS**

The principle activities undertaken by the company are to increase investment and visitation to the City, as well as the provision of support to the Brisbane small business sector. Enhancing visitation to the city is undertaken by way of tourism promotional initiatives, as well as the securing of Major and Business Events to the City.

### **FUTURE DEVELOPMENTS**

The Company expects to continue to create financial and social economic value for the residents and businesses of Brisbane through its various business activities. Its long-term direction will continue to be guided by the Brisbane Economic Development Plan 2012 - 2032.

### **DIRECTORS' BENEFITS**

Related party transactions are disclosed in note 14 of the financial statements.

### **COMPANY DETAILS**

The Company is an Australian proprietary company limited by shares, incorporated and registered in Brisbane, Queensland.

The Brisbane City Council is the sole shareholder.

The registered address and principal place of business is:

Level 20, North Bank  
69 Ann Street  
Brisbane QLD 4000  
Australia

## **BRISBANE ECONOMIC DEVELOPMENT AGENCY PTY LTD**

### **KEY ANNOUNCEMENTS DURING THE FINANCIAL YEAR**

On 1 July 2020, the Company commenced operating under the new trading name of Brisbane Economic Development Agency. The legal entity name has also been changed to Brisbane Economic Development Agency Pty Ltd.

At the end of the 2021 Financial Year, Brisbane Economic Development Agency (BEDA) farewelled Chief Executive Officer, Brett Fraser after a four-year tenure at the helm. Following a nation-wide recruitment process, Anthony Ryan has been appointed to the position of Chief Executive Officer commencing 29 November 2021. Juliet Alabaster has been appointed Interim Chief Executive Officer to this date, seconded from her role as General Manager Tourism, Business and Major Events.

### **EVENTS SINCE THE END OF FINANCIAL YEAR**

There have been no other matters or circumstances that have arisen since the end of the financial year that have significantly affected or may significantly affect either:

- i) The Company's operations in future financial years
- ii) The results of those operations in future financial years; or
- iii) The Company's state of affairs in future financial years

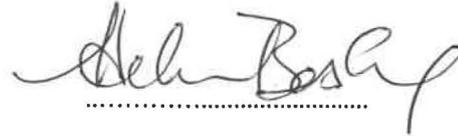
### **AUDITOR'S INDEPENDENCE DECLARATION**

A copy of the auditor's independence declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 4.

Signed in accordance with a resolution of the directors.



**Paul Spiro**  
**Chairman**  
**29/09/2021**



**Helen Besly**  
**Director**  
**29/09/2021**

## AUDITOR'S INDEPENDENCE DECLARATION

To the Directors of Brisbane Economic Development Agency Pty Ltd

This auditor's independence declaration has been provided pursuant to s.307C of the *Corporations Act 2001*.

### Independence declaration

As lead auditor for the audit of Brisbane Economic Development Agency Pty Ltd for the financial year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.



Philip Airey  
Director  
as delegate of the Auditor-General of Queensland

30 September 2021

Queensland Audit Office  
Brisbane

**BRISBANE ECONOMIC DEVELOPMENT AGENCY PTY LTD****STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2021**

	Note	2021 \$	2020 \$
<b>Revenues</b>			
Grants, subsidies and sponsorships - Brisbane City Council and controlled entities	14b	24,085,945	29,233,008
Grants, subsidies and sponsorships - Other		3,159,861	1,936,784
Ticket sales through Visitor Information Centre		85,633	770,698
Advertising and promotional support		419,319	1,177,410
Memberships		109,640	844,565
Venue hire, rental hire and recoveries		977,851	1,268,841
Interest income		54,136	123,234
Other income		380,028	348,254
<b>Total Revenues</b>	2c	<u>29,272,413</u>	<u>35,702,794</u>
<b>Expenses</b>			
Employee expenses	3	8,801,828	14,433,919
Materials and services	4	3,336,143	4,041,345
City economic development expenses	5	10,886,149	11,427,337
Business development expenses	6	2,643,521	3,436,047
Depreciation and amortisation			
- Property, plant and equipment		6,864	36,551
- Right of use assets		1,613,050	1,620,381
- Lease incentive		350,881	350,881
Finance costs		59,191	88,269
Other expenditure	7	72,545	187,076
<b>Total Expenses</b>		<u>27,770,172</u>	<u>35,621,806</u>
<b>Net Surplus</b>		<u>1,502,241</u>	<u>80,988</u>

The above Statement of Comprehensive Income should be read in conjunction with the notes to and forming part of the financial statements

**BRISBANE ECONOMIC DEVELOPMENT AGENCY PTY LTD**

**STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2021**

	Note	2021 \$	2020 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	8	7,952,345	8,930,975
Trade and other receivables		746,297	54,799
Prepayments		210,320	490,113
<b>Total Current Assets</b>		<u>8,908,962</u>	<u>9,475,887</u>
<b>NON CURRENT ASSETS</b>			
Lease incentive	10	1,608,206	2,216,751
Right-of-use lease asset	10	1,149,305	2,801,086
Plant and equipment		20,592	27,455
<b>Total Non Current Assets</b>		<u>2,778,103</u>	<u>5,045,292</u>
<b>Total Assets</b>		<u>11,687,064</u>	<u>14,521,179</u>
<b>CURRENT LIABILITIES</b>			
Payables and accrued employee benefits	9	2,249,848	4,098,398
Lease liability and make-good provision	10	980,725	1,838,890
Provisions for employee benefits		189,071	368,524
Deferred income	11	134,748	384,502
<b>Total Current Liabilities</b>		<u>3,554,392</u>	<u>6,690,314</u>
<b>NON CURRENT LIABILITIES</b>			
Provisions for employee benefits		194,818	273,078
Lease liabilities	10	2,301,439	3,423,613
<b>Total Non Current Liabilities</b>		<u>2,496,257</u>	<u>3,696,691</u>
<b>Total Liabilities</b>		<u>6,050,649</u>	<u>10,387,005</u>
<b>NET ASSETS</b>		<u>5,636,415</u>	<u>4,134,174</u>
<b>SHAREHOLDER'S EQUITY</b>			
Contributed equity		1	1
Retained earnings	12	5,636,414	4,134,173
<b>Total Shareholder's Equity</b>		<u>5,636,415</u>	<u>4,134,174</u>

The above Statement of Financial Position should be read in conjunction with the notes to and forming part of the financial statements

**BRISBANE ECONOMIC DEVELOPMENT AGENCY PTY LTD**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2021**

<b>2021</b>	<b>Note</b>	<b>Contributed Equity \$</b>	<b>Retained Earnings \$</b>	<b>Total \$</b>
Balance at beginning of year		1	4,134,173	4,134,174
Net Surplus		-	1,502,241	1,502,241
Balance at Year End	12	<u>1</u>	<u>5,636,414</u>	<u>5,636,415</u>

<b>2020</b>	<b>Note</b>	<b>Contributed Equity \$</b>	<b>Retained Earnings \$</b>	<b>Total \$</b>
Balance at beginning of year		1	3,540,950	3,540,951
Net Surplus		-	80,988	80,988
Adjustment on initial application of AASB 16		-	512,235	512,235
Balance at Year End	12	<u>1</u>	<u>4,134,173</u>	<u>4,134,174</u>

The above Statement of Changes in Equity should be read in conjunction with the notes to and forming part of the financial statements

**BRISBANE ECONOMIC DEVELOPMENT AGENCY PTY LTD**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2021**

	Note	2021 \$	2020 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts from customers		1,792,280	3,753,269
Subsidies and grants		30,151,100	34,286,771
Interest received		54,136	123,234
Payments to suppliers and employees		(29,570,837)	(33,920,978)
GST paid to the Australian Taxation Office		(1,404,511)	(1,184,029)
<b>Net Cash Flows generated by Operating activities</b>	13	<u>1,022,168</u>	<u>3,058,267</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Net Cash Flows generated by Financing activities</b>		<u>-</u>	<u>-</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Lease payments		<u>(2,000,798)</u>	<u>(1,946,200)</u>
<b>Net Cash Flows (used) in Financing activities</b>		<u>(2,000,798)</u>	<u>(1,946,200)</u>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>			
Cash at the beginning of the year		8,930,975	7,818,908
<b>Cash at the end of the year</b>	8	<u>7,952,345</u>	<u>8,930,975</u>

The above Statement of Cash Flows should be read in conjunction with the notes to and forming part of the financial statements

**BRISBANE ECONOMIC DEVELOPMENT AGENCY PTY LTD**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

**1. BASIS OF PREPARATION**

The financial report is a general purpose financial report which has been prepared in accordance with the requirements of the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*.

The financial report is prepared on an accruals basis with the exception of the Administered Funds (Note 17) that are accounted for on a cash basis. Except where stated, the historical cost convention is used. The accounting policies have been consistently applied, unless otherwise stated.

The company is a not-for-profit entity.

Amounts included in the financial statements and directors' report have been rounded off to the nearest dollar and are presented in Australian Dollars (AUD).

Comparative information has been restated where necessary to be consistent with disclosures in the current reporting period. The financial statements were authorised for issue by the directors on 29 September 2021.

**2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report.

**(a) Income Tax**

The Company is a state body as defined under the *Income Tax Assessment Act 1936* and is exempt from Commonwealth taxation with the exception of Fringe Benefits Tax and Goods and Services Tax.

**(b) Goods and Services Tax**

Revenues, expenses, plant and equipment 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 Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense of the item.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

**(c) Revenue**

		AASB 15	AASB 1058
		\$	\$
<b>Revenue recognised at a point in time</b>			
Grants, subsidies and sponsorships - Brisbane City Council and controlled entities	2(c)i	892,636	23,193,309
Grants, subsidies and sponsorships - Other		1,810,861	1,349,000
Ticket sales through Visitor Information Centre	2(c)ii	85,633	-
Advertising and promotional support		419,319	-
Venue hire, rental hire and recoveries		977,851	-
Interest income			54,136
Other income		-	380,028
		<u>4,186,300</u>	<u>24,976,473</u>
<b>Revenue recognised over time</b>			
Memberships	2(c)iii	109,640	-
		<u>109,640</u>	<u>-</u>
		<u>4,295,940</u>	<u>24,976,473</u>

**i) Grants, subsidies and sponsorship**

Revenue from Contracts With Customers (AASB 15) - Where revenue arises from an agreement which is enforceable and contains sufficiently specific performance obligations, then the revenue is recognised when control of each performance obligation is satisfied. The performance obligations are varied based on the agreement but include completion of site inspections, familiarisations and incentive promotional activities. Payment terms vary depending on the terms of the agreements, cash is received upfront for some contracts and on the achievement of certain payment milestones for others. Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control and within contract there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract. Where control is transferred over time, generally the input methods being either costs or time incurred are deemed to be the most appropriate methods to reflect the transfer of benefit.

**BRISBANE ECONOMIC DEVELOPMENT AGENCY PTY LTD**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

**2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

AASB 1058 - Assets arising from grants in the scope of AASB 1058 are recognised at the asset's fair value when the asset is received. The Company considers whether there are any related liability or equity items associated with the asset which are recognised in accordance with the relevant accounting standard.

**ii) Ticket sales through Visitor Information Centre, Advertising and Promotional Support, Venue Hire, Rental Hire & Recoveries**

Revenue from Ticket sales through the Visitor Information Centre is recognised when the customer has taken delivery of the ticket.

Revenue from Advertising & Promotional Support is recognised when the campaign or promotional activity takes place.

Revenue for Venue Hire, Rental Hire & Recoveries are recognised in the period which the venue hire, rental and recoveries relate to.

**iii) Memberships**

Revenue from Memberships is recognised in the duration in which the membership is applicable.

Memberships are normally 12 months in term and are recognised throughout the duration of the term based on a daily rate.

**(d) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

**(e) Employee Benefits**

Employee benefits relate to amounts expected to be paid to or on behalf of employees and directors for wages earned, bonuses, annual leave, long service leave, workers' compensation and superannuation.

*Annual leave*

Annual leave represents the amount which the Company has a present obligation to pay, resulting from employees' services provided up to balance date. The accrual has been calculated based on remuneration rates expected to be paid when the liability is settled and includes related on-costs.

*Long service leave*

Long service leave represents the present value of the estimated future cash outflows to be made by the Company resulting from employees' services provided up to balance date. The value of the liability is calculated using current pay rates and projected future increases in those rates and includes related employee on-costs. The estimates are adjusted for the probability of the employees remaining in the Company's employment or other associated employment which would result in the Company being required to meet the liability. Adjustments are then made to allow for the proportion of the benefit earned to date, and the result is discounted to present value based on Australian Government Bond Rates.

*Superannuation*

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

**(f) Trade Receivables**

Trade receivables are due for settlement within 30 days and are carried at amounts due. The loss allowance for trade and other receivables reflect the lifetime expected credit losses and incorporates reasonable and supportable forward information. However for the financial years ended 30 June 2021 and 30 June 2020, there were no bad debts incurred and no expected credit losses.

**BRISBANE ECONOMIC DEVELOPMENT AGENCY PTY LTD**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

**2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(g) Trade Payables**

Creditors and accruals represent liabilities for goods and services provided to the Company prior to the end of the financial year and which are unpaid. These amounts are unsecured and are usually paid within 30 days from statement.

**(h) Financial Instruments**

**i) Recognition**

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Company becomes party to the contractual provisions of the financial instrument.

**ii) Classification**

Financial instruments are classified and measured as follows:

- Receivables - held at amortised cost
- Payables - held at amortised cost

**(i) Accounting Estimates and Judgements**

The preparation of financial statements necessarily requires the determination and use of certain critical accounting estimates, assumptions and management judgements that have the potential to cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Such estimates, judgements and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods as relevant estimates, judgements and underlying assumptions are reviewed on an ongoing basis.

Estimates and assumptions that have potential significant effects include the following:

- Provision for Employee Benefits
- Depreciation expense

**(j) New and Future Accounting Standards**

No Australian Accounting Standards applied for the first time had any material impact on the 2020–21 financial statements. Specifically, as the Company does not provide any public services relating to a concession access under service concessions arrangement, AASB1059 *Service Concession Arrangements: Grantors*, has been assessed as having nil impact on the Company.

## BRISBANE ECONOMIC DEVELOPMENT AGENCY PTY LTD

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

#### 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### (k) Leases

###### i) Right of Use Assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

<i>Class of right-of-use asset</i>	<i>Amortisation rate</i>
Buildings	14-20%
Photocopiers	20%

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

###### ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The Company's lease liabilities are included in Interest-bearing loans and borrowings.

###### iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value, which is defined as an asset that costs less than \$10,000 when new. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

The total value of payments made towards short-term leases was \$20,058

###### iv) Peppercorn leases

Peppercorn leases are leases where the rent is substantially below the fair market for a similar property. The company has determined that it has one (1) lease that would be considered a "Peppercorn" lease. Management has taken up the temporary election available to not-for-profit entities to measure such leases at cost.

**BRISBANE ECONOMIC DEVELOPMENT AGENCY PTY LTD**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

	2021	2020
	\$	\$
<b>3. EMPLOYEE EXPENSES</b>		
Salaries & Wages	6,776,730	11,081,185
Temporary Staff	269,806	406,890
Superannuation	617,290	1,035,031
Annual Leave and Long Service Leave	564,380	836,749
Workers Compensation	25,600	26,500
Fringe Benefits Tax	26,465	57,852
Payroll Tax	365,692	586,498
Other Employee Expenses	155,865	403,214
	<u>8,801,828</u>	<u>14,433,919</u>
Number of full-time equivalent employees at 30 June (including casual employees)	57	69
<b>4. MATERIALS &amp; SERVICES</b>		
Cost of Goods Sold - Visitor Information Centre	69,483	659,463
Travel Expenditure	32,554	426,435
Office & Facilities	3,047,783	2,246,429
Other Materials & Services	186,323	709,018
	<u>3,336,143</u>	<u>4,041,345</u>
<b>5. CITY ECONOMIC DEVELOPMENT EXPENSES</b>		
Marketing Activities	6,065,625	6,693,376
Sponsorships	3,575,692	3,007,007
Promotional Materials	1,244,832	1,726,954
	<u>10,886,149</u>	<u>11,427,337</u>
<b>6. BUSINESS DEVELOPMENT EXPENSES</b>		
Market Research	258,149	303,023
Event Activation	894,662	1,830,417
Event Contractors	1,068,069	675,902
Event Performers	422,641	626,705
	<u>2,643,521</u>	<u>3,436,047</u>
<b>7. OTHER EXPENDITURE</b>		
Auditing Fees - Queensland Audit Office (audit of accounts)	40,450	30,000
Auditing Fees - Internal Audit	30,445	135,780
Other Expenditure	1,650	21,296
	<u>72,545</u>	<u>187,076</u>
<b>8. CASH AND CASH EQUIVALENTS</b>		
Cash on Hand	-	500
Cash at Bank	881,633	1,255,420
Deposits on Call	7,070,712	7,675,055
	<u>7,952,345</u>	<u>8,930,975</u>

Excess funds are invested in the Queensland Treasury Corporation (QTC) Capital Guaranteed Cash Fund Account. Based on financial instruments held at 30 June 2021, a 1% increase or decrease in market interest rates would have an impact of +/- \$79,523 (2020: \$89,310) on the Company's Statement of Comprehensive Income.

BRISBANE ECONOMIC DEVELOPMENT AGENCY PTY LTD

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	\$	\$
<b>9. PAYABLES AND ACCRUED EMPLOYEE BENEFITS</b>		
Trade Creditors	1,458,452	1,910,386
Accrued Employee Benefits	791,396	2,188,012
	<u>2,249,848</u>	<u>4,098,398</u>

Trade Creditors are non-interest-bearing and have maturity dates of less than one (1) year.

**10. LEASE ASSETS AND LIABILITIES**

**Non-Current Assets**

Lease Incentive Asset	1,608,206	2,216,751
Right of Use Asset	1,149,305	2,801,086
	<u>2,757,511</u>	<u>5,017,837</u>

**Current Liabilities**

Make Good	389,000	389,000
Lease Liability	591,725	1,449,890
	<u>980,725</u>	<u>1,838,890</u>

**Non-Current Liabilities**

Lease Liability	2,301,439	3,423,613
	<u>2,301,439</u>	<u>3,423,613</u>

The Company leases two buildings for operating activities which incur annual contracted increases. The Company also leases multi-functional device photocopiers. The table in Note 16 shows the maturity analysis of the lease liabilities.

**11. DEFERRED INCOME**

Grants, Subsidies and Sponsorships - Brisbane City Council	115,000	135,000
Advertising and Promotional Support	19,748	124,473
Memberships	-	125,029
	<u>134,748</u>	<u>384,502</u>

**12. RETAINED EARNINGS**

The Company's retained earnings are subject to a number of restrictions from third parties which limit amounts available for distribution and/or execution to specific activities for which they were received. The restricted amount is held as Cash and Cash Equivalents.

**Restricted Retained Earnings**

Convention Bids	630,000	815,606
Australia TradeCoast Limited	132,060	132,060
Asia Pacific Screen Awards Film Fund	-	55,000
Queen Street Mall Levy	818,800	1,077,665
<b>Total Restricted Retained Earnings</b>	<u>1,580,860</u>	<u>2,080,331</u>

**Unrestricted Retained Earnings**

<b>Total Retained Earnings</b>	<u>4,055,554</u>	<u>2,053,842</u>
	<u>5,636,414</u>	<u>4,134,173</u>

**BRISBANE ECONOMIC DEVELOPMENT AGENCY PTY LTD**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

	2021	2020
	\$	\$
<b>13. CASH FLOW INFORMATION</b>		
Reconciliation of surplus to the net cash flows used in operating activities		
<b>Net Surplus</b>	1,502,241	80,988
<b>Non-cash flows in Net Surplus</b>		
Depreciation & Amortisation	1,970,795	2,007,813
Finance Costs	59,191	88,269
<b>Changes in Assets and Liabilities</b>		
(Increase) / decrease in		
Trade and Other Receivables	(208,101)	279,294
Prepayments	279,793	461,080
Lease Incentive	257,664	152,883
Increase / (decrease) in		
Payables and Accrued Employee Benefits	(2,331,948)	1,032,816
Deferred Income	(249,755)	(1,020,205)
Provisions	(257,712)	(24,671)
<b>Net cash flows used in operating activities</b>	<u>1,022,168</u>	<u>3,058,267</u>

**14. RELATED PARTY TRANSACTIONS**

**(a) Key Management Personnel Employee Benefits**

Key management personnel (KMP) are those persons having authority and responsibility for planning, directing and controlling the activities of company, directly or indirectly. KMP includes the Executive Leadership Team (ELT) comprising of the Chief Executive Officer, Chief Commercial Officer, Chief Financial Officer and the General Manager of Human Resources. KMP employee benefits relate to employee benefits expensed (Note 2e) to or on behalf of KMP, comprising the following components:

-Short-term benefits, including salaries and leave entitlements earned and expensed for the entire year, or for that part of the year during which the employee occupied a KMP position; performance payments recognised as an expense during the year.

-Long term benefits include amounts expensed in respect of long service leave entitlements earned.

-Post-employment benefits include amounts expensed in respect of employer superannuation obligations.

-Termination benefits include payments in lieu of notice on termination and other lump sum separation entitlements (excluding annual and long service leave entitlements) payable on termination of employment or acceptance of an offer of termination of employment.

	2021	2020
	\$	\$
<b>Directors' Benefits</b>		
Short-term benefits	190,312	209,528
Post-employment benefits	7,075	10,292
	<u>197,387</u>	<u>219,820</u>
<b>KMP's Benefits</b>		
Short-term benefits	853,939	1,043,383
Post-employment benefits	101,923	100,814
Long-term benefits	16,303	17,816
Terminated Benefits	438,167	-
	<u>1,410,332</u>	<u>1,162,014</u>
Number of Directors	6	7
Number of KMP	4	4

**BRISBANE ECONOMIC DEVELOPMENT AGENCY PTY LTD**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

**(b) Transactions with the Brisbane City Council and its controlled entities, the ultimate and Australian controlling entity**

During the year, Brisbane City Council provided grants and other funds to Brisbane Economic Development Agency Pty Ltd with a total value of \$24,085,945 (2020: \$29,233,008). Amounts receivable at balance date under normal commercial terms and conditions amounted to \$72,805 (2020: \$8,250).

In addition, amounts for goods and/or services supplied by Brisbane City Council and its controlled entities including City Parklands Services Pty Ltd, Museum of Brisbane Pty Ltd and Major Brisbane Festival Pty Ltd based on normal commercial terms and conditions to the Company were as follows:

	<b>2021</b>	<b>2020</b>
	\$	\$
City Economic Development Expenditure	1,051,565	3,404,450
Repayment of unused Grants	-	386,770
Other Costs	76,435	321,464
	<u>1,128,000</u>	<u>4,112,684</u>

Amounts payable at balance day under normal commercial terms and conditions amounted to \$0 (2020: \$7,184).

**15. ECONOMIC DEPENDENCY**

The Company's activities are dependent upon grant funding from the Brisbane City Council. Funding support has been agreed to by the council for the 2021-2022 financial year.

**BRISBANE ECONOMIC DEVELOPMENT AGENCY PTY LTD**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

**16. LEASE LIABILITIES MATURITY ANALYSIS**

Within 1 year	591,725	1,449,890
Within 1-5 years	2,301,439	3,423,613
	<u>2,893,164</u>	<u>4,873,503</u>

**17. ADMINISTERED FUNDS**

	2021	2020
	\$	\$
<b>(a) City Bid Fund</b>		
In 2011/12 a separate bank account was set up which enabled the fund members (Brisbane Economic Development Agency, Brisbane Convention & Exhibition Centre and Queensland Hotels Association) to jointly bid in attracting conferences to the City. The account is administered by the Company on behalf of the members of the fund. These funds are not included in the statement of financial position as they are trust moneys.		
Opening Cash Balance	2,040,964	2,229,761
Contributions Received	200,000	220,749
Interest Earned	12,300	32,469
Conferences Supported	(80,306)	(442,015)
Closing Cash Balance	<u>2,172,958</u>	<u>2,040,964</u>

**(b) International Marketing Fund**

In 2018/19 a separate bank account was set up which enabled the fund members (Brisbane Economic Development Agency and Brisbane Airport Corporation) to jointly promote Brisbane City to international markets. The account is administered by the Company on behalf of the members of the fund. These funds are not included in the statement of financial position as they are trust moneys.

Opening Cash Balance	743,962	1,200,000
Contributions Received	-	-
Interest Earned	5,490	5,969
Marketing Campaigns	(476,189)	(462,007)
Closing Cash Balance	<u>273,263</u>	<u>743,962</u>

**18. EVENTS AFTER THE BALANCE DATE**

The financial report was authorised for issue on the date the directors report was signed. The directors have the power to amend and re-issue the financial report. There have been no other events subsequent to reporting date which would have a material effect on the Company's financial statements as at 30 June 2021.

## **BRISBANE ECONOMIC DEVELOPMENT AGENCY PTY LTD**

### **NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021**

#### **19. COVID-19 IMPACTS**

The Company had the following impacts due to COVID-19 on the operational activities during the reporting period.

- i) Loss in net revenue from ticket sales through the Visitor Information Centre were an estimate of \$685,065, this was due to the low visitation and intermittent closures of the Visitor Information Centre during the reporting period.
- ii) The Company introduced a new pandemic leave offering to employees in the 2020 financial year of 150 additional hours, this leave remains largely unused at reporting date.
- iii) The Company provided membership fee relief to all categories of membership for the 2021 reporting period. Lost revenue is estimated at \$734,925 for the financial year.
- iv) No assets were deemed impaired and no debts were deemed irrecoverable during the 2021 financial year due to COVID-19.
- v) The Company underwent further structural review over the period with 19 full-time equivalent employees made redundant at a cost of \$606,131.
- vi) Other impacts include the delay in project deliverables due to lockdown restrictions imposed by the State Government and general uncertainties in the economy due to COVID-19.

**BRISBANE ECONOMIC DEVELOPMENT AGENCY PTY LTD**

**DIRECTORS' DECLARATION**

In the opinion of the directors of Brisbane Economic Development Agency Pty Ltd:

1. The financial statements and notes, as set out on pages 5 to 18, are in accordance with the *Corporations Act 2001*, including:
  - a) giving a true and fair view of the Company's financial position as at 30 June 2021 and of its performance for the year ended on that date; and
  - b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

On behalf of the Board



**Paul Spiro**  
**Chairman**  
**29/09/2021**



**Helen Besly**  
**Director**  
**29/09/2021**

## INDEPENDENT AUDITOR'S REPORT

To the Members of Brisbane Economic Development Agency Pty Ltd

### Report on the audit of the financial report

#### Opinion

I have audited the accompanying financial report of Brisbane Economic Development Agency Pty Ltd (the Company).

In my opinion, the financial report:

- a) gives a true and fair view of the Company's financial position as at 30 June 2021, and its financial performance and cash flows for the year then ended
- b) complies with Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the directors' declaration.

#### Basis for opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

I am independent of the Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*. I am also independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001*.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Responsibilities of the Company for the financial report

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

The Company's directors are also responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

## **Auditor's responsibilities for the audit of the financial report**

My 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Company.
- Conclude on the appropriateness of the Company's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Company's directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Philip Airey  
as delegate of the Auditor-General

30 September 2021

Queensland Audit Office  
Brisbane