

**ABN 86 094 633 262
BRISBANE ECONOMIC DEVELOPMENT AGENCY PTY LTD
ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

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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 2022 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 (Departed 30/05/2022)
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 2022 was a deficit of \$520,507 (2021: \$1,502,241 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

During the financial year, Brisbane Economic Development Agency (BEDA) appointed Anthony Ryan to the position of Chief Executive Officer. Anthony Ryan formally took office on 29 November 2021.

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
26/09/2022



.....

Helen Besly
Director
26/09/2022

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 2022, 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.



26 September 2022

Sri Narasimhan
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

BRISBANE ECONOMIC DEVELOPMENT AGENCY PTY LTD

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2022**

	Note	2022 \$	2021 \$
Revenues			
Grants and subsidies - Brisbane City Council and controlled entities	14b	21,227,430	24,085,945
Grants and subsidies - State government		2,197,751	2,124,986
Grants and subsidies - Federal government		682,500	1,034,875
Ticket sales		80,558	85,633
Advertising and industry participation		846,363	965,539
Memberships	19(iii)	3,643	109,640
Venue hire and recoveries		516,656	431,631
Interest income		47,879	54,136
Other income		651,545	380,028
Total Revenues	2c	<u>26,254,325</u>	<u>29,272,413</u>
Expenses			
Employee expenses	3	8,443,074	8,801,828
Materials and services	4	3,547,865	3,336,143
City economic development expenses	5	11,612,305	10,886,149
Business development expenses	6	1,864,078	2,643,521
Depreciation and amortisation			
- Property, plant and equipment		6,864	6,864
- Right of use assets		814,810	1,613,050
- Lease incentive		350,881	350,881
Finance costs		64,694	59,191
Other expenditure	7	70,261	72,545
Total Expenses		<u>26,774,832</u>	<u>27,770,172</u>
Net (Deficit) / Surplus		<u>(520,507)</u>	<u>1,502,241</u>
Other Comprehensive Income		-	-
Total Comprehensive Income		<u>(520,507)</u>	<u>1,502,241</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 2022**

	Note	2022 \$	2021 \$
CURRENT ASSETS			
Cash and cash equivalents	8	9,207,676	7,952,345
Trade and other receivables		950,132	746,297
Prepayments		206,227	210,320
Total Current Assets		<u>10,364,035</u>	<u>8,908,962</u>
NON CURRENT ASSETS			
Right-of-use lease assets	10	3,234,231	2,757,511
Plant and equipment		13,728	20,592
Total Non Current Assets		<u>3,247,959</u>	<u>2,778,103</u>
Total Assets		<u>13,611,994</u>	<u>11,687,064</u>
CURRENT LIABILITIES			
Payables and accrued employee benefits	9	4,211,209	2,249,848
Lease liabilities	10	1,162,088	591,725
Provisions for employee benefits		272,597	189,071
Deferred income	11	39,736	134,748
Total Current Liabilities		<u>5,685,630</u>	<u>3,165,392</u>
NON CURRENT LIABILITIES			
Provisions for employee benefits		160,090	194,818
Lease liabilities and make-good provision	10	2,650,366	2,690,439
Total Non Current Liabilities		<u>2,810,456</u>	<u>2,885,257</u>
Total Liabilities		<u>8,496,086</u>	<u>6,050,649</u>
NET ASSETS		<u>5,115,908</u>	<u>5,636,415</u>
SHAREHOLDER'S EQUITY			
Contributed equity		1	1
Retained earnings	12	5,115,907	5,636,414
Total Shareholder's Equity		<u>5,115,908</u>	<u>5,636,415</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 2022**

2022	Note	Contributed Equity \$	Retained Earnings \$	Total \$
Balance at beginning of year		1	5,636,414	5,636,415
Net Surplus		-	(520,507)	(520,507)
Balance at Year End	12	<u>1</u>	<u>5,115,907</u>	<u>5,115,908</u>
2021	Note	Contributed Equity \$	Retained Earnings \$	Total \$
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>

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 2022**

	Note	2022	2021
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers		1,470,618	1,792,280
Subsidies and grants		26,678,093	30,151,100
Interest received		47,879	54,136
Payments to suppliers and employees		(25,317,905)	(29,570,837)
GST paid to the Australian Taxation Office		(446,536)	(1,404,511)
Net Cash Flows generated by Operating activities	13	<u>2,432,148</u>	<u>1,022,168</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Net Cash Flows generated by Investing activities		<u>-</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease payments		(1,176,817)	(2,000,798)
Net Cash Flows (used) in Financing activities		<u>(1,176,817)</u>	<u>(2,000,798)</u>
NET INCREASE/(DECREASE) IN CASH HELD			
Cash at the beginning of the year		7,952,345	8,930,975
Cash at the end of the year	8	<u>9,207,676</u>	<u>7,952,345</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 2022

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 the date the Director's Declaration was signed.

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	Total
	\$	\$	\$
2022			
Revenue recognised at a point in time			
Grants and subsidies - Brisbane City Council and controlled entities	2(c)i 1,113,956	20,113,474	21,227,430
Grants and subsidies - State Government	2(c)i 483,174	1,714,577	2,197,751
Grants and subsidies - Federal Government	2(c)i 600,000	82,500	682,500
Ticket sales	2(c)ii 80,558	-	80,558
Advertising and industry participation	2(c)ii 846,363	-	846,363
Venue hire and recoveries	2(c)ii 516,656	-	516,656
Interest income	-	47,879	47,879
Other income	-	651,545	651,545
	<u>3,640,707</u>	<u>22,609,975</u>	<u>26,250,682</u>
Revenue recognised over time			
Memberships	2(c)iii 3,643	-	3,643
	<u>3,643</u>	<u>-</u>	<u>3,643</u>
	<u>3,644,350</u>	<u>22,609,975</u>	<u>26,254,325</u>

	AASB 15	AASB 1058	Total
	\$	\$	\$
2021			
Revenue recognised at a point in time			
Grants and subsidies - Brisbane City Council and controlled entities	2(c)i 892,636	23,193,309	24,085,945
Grants and subsidies - State Government	775,986	1,349,000	2,124,986
Grants and subsidies - Federal Government	2(c)i 1,034,875	-	1,034,875
Ticket sales	2(c)ii 85,633	-	85,633
Advertising and industry participation	2(c)ii 965,539	-	965,539
Venue hire and recoveries	2(c)ii 431,631	-	431,631
Interest income	-	54,136	54,136
Other income	-	380,028	380,028
	<u>4,186,300</u>	<u>24,976,473</u>	<u>29,162,773</u>
Revenue recognised over time			
Memberships	2(c)iii 109,640	-	109,640
	<u>109,640</u>	<u>-</u>	<u>109,640</u>
	<u>4,295,940</u>	<u>24,976,473</u>	<u>29,272,413</u>

BRISBANE ECONOMIC DEVELOPMENT AGENCY PTY LTD

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Grants and subsidies

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. Within contracts, 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.

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 then recognised in accordance with the relevant accounting standard.

ii) Ticket Sales, Advertising and Industry Participation, Venue Hire and Recoveries

Revenue from Ticket sales is recognised when the customer has taken delivery of the ticket.

Revenue from Advertising and Industry Participation is recognised when the campaign or promotional activity takes place.

Revenue for Venue Hire and 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.

BRISBANE ECONOMIC DEVELOPMENT AGENCY PTY LTD

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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 reflects the lifetime expected credit losses and incorporates reasonable and supportable forward information. However for the financial years ended 30 June 2022 and 30 June 2021, there were no bad debts incurred and no expected credit losses.

(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 issued but not yet effective have had or are expected to have any material impact on the Company's financial report.

There were no new standards and interpretations taking effect in the current reporting period that had a material impact on the Company's financial statements.

BRISBANE ECONOMIC DEVELOPMENT AGENCY PTY LTD

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

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.

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 an expense on a straight-line basis over the lease term.

The total value of payments in the reporting period made towards short-term leases was \$24,888.

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 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 2022**

	2022	2021
	\$	\$
3. EMPLOYEE EXPENSES		
Salaries & Wages	5,824,853	6,776,730
Temporary Staff	422,725	269,806
Superannuation	641,566	617,290
Annual Leave and Long Service Leave	582,146	564,380
Workers Compensation	44,072	25,600
Fringe Benefits Tax	24,826	26,465
Payroll Tax	373,094	365,692
Other Employee Expenses	529,792	155,865
	<u>8,443,074</u>	<u>8,801,828</u>
Number of full-time equivalent employees at 30 June (including casual employees)	64	57
4. MATERIALS & SERVICES		
Cost of Goods Sold - Visitor Information Centre	64,761	69,483
Travel Expenditure	170,159	32,554
Office & Facilities	3,038,598	3,047,783
Other Materials & Services	274,347	186,323
	<u>3,547,865</u>	<u>3,336,143</u>
5. CITY ECONOMIC DEVELOPMENT EXPENSES		
Marketing Activities	6,053,020	6,065,625
Sponsorships	4,472,501	3,575,692
Promotional Materials	1,086,784	1,244,832
	<u>11,612,305</u>	<u>10,886,149</u>
6. BUSINESS DEVELOPMENT EXPENSES		
Market Research	198,183	258,149
Event Activation	868,546	894,662
Event Contractors	433,165	1,068,069
Event Performers	364,184	422,641
	<u>1,864,078</u>	<u>2,643,521</u>
7. OTHER EXPENDITURE		
Auditing Fees - Queensland Audit Office (audit of accounts)	31,864	40,450
Auditing Fees - Internal Audit	31,450	30,445
Other Expenditure	6,947	1,650
	<u>70,261</u>	<u>72,545</u>
8. CASH AND CASH EQUIVALENTS		
Cash at Bank	1,869,013	881,633
Deposits on Call	7,338,663	7,070,712
	<u>9,207,676</u>	<u>7,952,345</u>

Excess funds are invested in the Queensland Treasury Corporation (QTC) Capital Guaranteed Cash Fund Account. Based on financial instruments held at 30 June 2022, a 1% increase or decrease in market interest rates would have an impact of +/- \$92,077 (2021: \$79,523) 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 2022**

	2022	2021
	\$	\$
9. PAYABLES AND ACCRUED EMPLOYEE BENEFITS		
Trade Creditors	3,746,070	1,458,452
Accrued Employee Benefits	465,139	791,396
	<u>4,211,209</u>	<u>2,249,848</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	1,257,324	1,608,206
Right of Use Asset	1,976,907	1,149,305
	<u>3,234,231</u>	<u>2,757,511</u>

Current Liabilities

Lease Liability	1,162,088	591,725
	<u>1,162,088</u>	<u>591,725</u>

Non-Current Liabilities

Make Good	389,000	389,000
Lease Liability	2,261,366	2,301,439
	<u>2,650,366</u>	<u>2,690,439</u>

The Company leases two (2) 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 and Subsidies - Brisbane City Council and Controlled Entities	3,878	115,000
Advertising and Industry Participation	35,858	19,748
	<u>39,736</u>	<u>134,748</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	760,000	630,000
Australia TradeCoast Limited	132,060	132,060
Queen Street Mall Levy	879,262	818,800
Total Restricted Retained Earnings	<u>1,771,322</u>	<u>1,580,860</u>

Unrestricted Retained Earnings

	<u>3,344,585</u>	<u>4,055,554</u>
Total Retained Earnings	<u>5,115,907</u>	<u>5,636,414</u>

BRISBANE ECONOMIC DEVELOPMENT AGENCY PTY LTD

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

	2022 \$	2021 \$
13. CASH FLOW INFORMATION		
Reconciliation of surplus to the net cash flows used in operating activities		
Net (Deficit) / Surplus	(520,507)	1,502,241
Non-cash flows in Net (Deficit) / Surplus		
Depreciation & Amortisation	1,172,555	1,970,795
Finance Costs	64,694	59,191
Changes in Assets and Liabilities		
(Increase) / decrease in		
Trade and Other Receivables	(644,258)	(208,101)
Prepayments	4,093	279,793
Lease Incentive	-	257,664
Increase / (decrease) in		
Payables and Accrued Employee Benefits	2,401,786	(2,331,948)
Deferred Income	(95,011)	(249,755)
Provisions	48,797	(257,712)
Net cash flows used in operating activities	<u>2,432,148</u>	<u>1,022,168</u>

Reconciliation of financing activities					
2022	Opening	Cashflows	Interest	New Lease	Closing
Lease Liabilities	2,893,164	(1,176,817)	64,694	1,642,413	3,423,454
2021	Opening	Cashflows	Interest	Lease Modification	Closing
Lease Liabilities	4,873,503	(2,000,798)	59,191	(38,732)	2,893,164

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 the Chief Executive Officer, Chief Operating Officer, Chief Financial Officer and the General Manager of Human Resources. KMP employee benefits relate to employee benefits expensed (Note 2(e)) 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.

	2022 \$	2021 \$
Directors' Benefits		
Short-term benefits	183,083	190,312
Post-employment benefits	5,417	7,075
	<u>188,500</u>	<u>197,387</u>
KMP's Benefits		
Short-term benefits	864,898	853,939
Post-employment benefits	88,171	101,923
Long-term benefits	16,814	16,303
Termination Benefits	-	438,167
	<u>969,883</u>	<u>1,410,332</u>
Number of Directors	5	6
Number of KMP	5	4

BRISBANE ECONOMIC DEVELOPMENT AGENCY PTY LTD

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

(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 \$21,227,430 (2021: \$24,085,945). Amounts receivable at balance date under normal commercial terms and conditions amounted to \$70,000 (2021: \$72,805).

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:

	2022	2021
	\$	\$
City Economic Development Expenditure	630,060	1,051,565
Other Costs	98,863	76,435
	<u>728,923</u>	<u>1,128,000</u>

Amounts payable at balance day under normal commercial terms and conditions amounted to \$49,435 (2021: \$0).

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 year ending 30 June 2023.

BRISBANE ECONOMIC DEVELOPMENT AGENCY PTY LTD**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

16. LEASE LIABILITIES MATURITY ANALYSIS	2022	2021
	\$	\$
Within 1 year	1,162,088	591,725
Within 2-5 years	2,261,366	2,301,439
	<u>3,423,454</u>	<u>2,893,164</u>

17. ADMINISTERED FUNDS**(a) City Bid Fund**

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 monies.

Opening Cash Balance	2,172,958	2,040,964
Contributions Received	(48,131)	200,000
Interest Earned	9,894	12,300
Conferences Supported	49,561	(80,306)
Closing Cash Balance	<u>2,184,282</u>	<u>2,172,958</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 monies.

Opening Cash Balance	273,263	743,962
Contributions Received	300,000	-
Interest Earned	1,921	5,490
Marketing Campaigns	(168,000)	(476,189)
Closing Cash Balance	<u>407,184</u>	<u>273,263</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 events subsequent to reporting date which would have a material effect on the Company's financial statements as at 30 June 2022.

BRISBANE ECONOMIC DEVELOPMENT AGENCY PTY LTD

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

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 \$919,441 (2021: \$685,065), which was due to the continued low visitation during the reporting period.
- ii) The Company continues to offer pandemic leave offering to employees since the 2020 financial year of 150 additional hours. There has been relatively low uptake at reporting date.
- iii) The Company extended the provision of membership fee relief to all categories of membership for the 2022 reporting period.
- iv) No assets were deemed impaired and no debts were deemed irrecoverable during the 2022 financial year due to COVID-19.
- v) Other impacts include the delay in project deliverables due to travel 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 2022 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
26/09/2022



.....

Helen Besly
Director
26/09/2022

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.

In my opinion, the financial report:

- a) gives a true and fair view of the company's financial position as at 30 June 2022, 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 2022, 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*, and 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.

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

Other information

Other information comprises the information included in the directors' report for the year ended 30 June 2022, but does not include the financial report and my auditor's report thereon.

The directors are responsible for the other information.

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

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

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

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 the *Corporations Act 2001*, The Corporations Regulations 2001 and 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.



Sri Narasimhan
as delegate of the Auditor-General

27 September 2022

Queensland Audit Office
Brisbane