

THE SOUTH AUSTRALIAN CHAMBER OF MINES AND ENERGY INC
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

THE SOUTH AUSTRALIAN CHAMBER OF MINES AND ENERGY INC
Financial report for the year ended 30 June 2019

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THE SOUTH AUSTRALIAN CHAMBER OF MINES AND ENERGY INC
Financial report for the year ended 30 June 2019
Report of the Council Members

Your Council members submit the financial report of the South Australian Chamber of Mines and Energy Inc ("SACOME") for the financial year ended 30 June 2019.

Council Members

The names of the council members throughout the financial year and at the date of the report are:

President: Greg Hall
Vice President: Rob Malinauskas (Councillor from 15 Nov 2017 when appointed Vice President on 3 August 2018)
Vice President: Laura Tyler (Councillor from 31 May 2018 when appointed Vice President on 3 August 2018)
Cr. Andrew Cannon
Cr. Andrew Cole
Cr Sarah Clarke (from 15 Nov 2018)
Cr. Mark Dayman
Cr. Andrew Dyda
Cr Varis Lidums (from 15 Nov 2018)
Cr. Hamish Little
Cr. Wendy Roxbee
Cr. Matt Sherwell
Cr Lachlan Wallace
Cr. Vicki Brown (until 15 Nov 2018)
Cr. Nicole Galloway-Warland (until 15 Nov 2018)
Cr. Stuart Lammin (until 15 November 2018)

Principal Activities

The principal activities of SACOME during the year were to represent companies with interests in the South Australian minerals, energy, extractive and petroleum sectors, including those who provide services to these companies.

Significant Changes

There were no significant changes in the state of affairs of SACOME which occurred during the financial year.

Operating Results

The surplus for the year amounted to \$138,612 (2018: surplus of \$367,782).

After Balance Date Events

No matter or circumstance has arisen since 30 June 2019 that has significantly affected or may significantly affect:

- (i) the operations of SACOME;
- (ii) the results of the operations; or
- (iii) the state of affairs of SACOME.

THE SOUTH AUSTRALIAN CHAMBER OF MINES AND ENERGY INC
Financial report for the year ended 30 June 2019
Report of the Council Members (cont)

COUNCIL MEMBERS BENEFITS

During the financial year:

- (i) no Council member of SACOME;
- (ii) no firm in which a Council member is a member; and
- (iii) no body corporate in which a Council member has a substantial interest,

has received or become entitled to receive a benefit as a result of a contract between the Council member, firm or body corporate and SACOME and no officer has received either directly or indirectly from SACOME any payment or other benefit of a pecuniary value.

Signed at Adelaide this

11

day of

Oct

2019, in accordance with a resolution of Council Members.



Greg Hall - President - Council Member



Andrew Dyda - Chair of Audit and Finance Committee - Council Member

THE SOUTH AUSTRALIAN CHAMBER OF MINES AND ENERGY INC

Financial report for the year ended 30 June 2019

Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2019

	Note	2019	2018
		\$	\$
Revenue	2	1,474,405	1,903,125
Employee benefits expense	3	(738,733)	(564,572)
Depreciation and amortisation expenses	3	(14,457)	(13,494)
Finance costs	3	(2,618)	(3,478)
Rental expense	3	(123,918)	(135,679)
Other expenses		(456,067)	(818,120)
Surplus for the year		138,612	367,782
Other comprehensive income		-	-
Net surplus attributable to members of the entity		138,612	367,782
Total comprehensive surplus attributable to members of the entity		138,612	367,782

The accompanying notes form part of these financial statements.

THE SOUTH AUSTRALIAN CHAMBER OF MINES AND ENERGY INC

Financial report for the year ended 30 June 2019

Statement of Financial Position as at 30 June 2019

	Note	2019 \$	2018 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	1,061,674	944,864
Accounts receivable and other debtors	6	30,037	73,789
Other current assets	7	37,097	26,220
TOTAL CURRENT ASSETS		1,128,808	1,044,873
NON-CURRENT ASSETS			
Property, plant and equipment	8	12,238	16,933
Intangibles	9	5,507	8,918
TOTAL NON-CURRENT ASSETS		17,744	25,851
TOTAL ASSETS		1,146,552	1,070,724
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and other payables	10	230,300	316,258
Employee provisions	11	22,862	3,579
TOTAL CURRENT LIABILITIES		253,162	319,836
NON-CURRENT LIABILITIES			
Employee provisions	11	14,253	10,363
TOTAL NON-CURRENT LIABILITIES		14,253	10,363
TOTAL LIABILITIES		267,415	330,199
NET ASSETS		879,137	740,525
EQUITY			
Retained surplus		879,137	740,525
TOTAL EQUITY		879,137	740,525

The accompanying notes form part of these financial statements.

THE SOUTH AUSTRALIAN CHAMBER OF MINES AND ENERGY INC

Financial report for the year ended 30 June 2019

Statement of Changes in Equity for the year ended 30 June 2019

	Note	Retained Surplus	Total
		\$	\$
Balance at 1 July 2017		372,743	372,743
Comprehensive income			
Net surplus for the year		367,782	367,782
Total comprehensive income attributable to members of the entity			
Balance at 30 June 2018		<u>740,525</u>	<u>740,525</u>
Balance at 1 July 2018			
Comprehensive income			
Net surplus for the year		138,612	138,612
Total comprehensive income attributable to members of the entity			
Balance at 30 June 2019		<u>879,137</u>	<u>879,137</u>

The accompanying notes form part of these financial statements.

THE SOUTH AUSTRALIAN CHAMBER OF MINES AND ENERGY INC

Financial report for the year ended 30 June 2019

Statement of Cash Flows for the year ended 30 June 2019

	Note	2019 \$	2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members and customers		1,646,133	1,977,617
Payments to suppliers and employees		(1,456,291)	(2,119,848)
Interest received		19,836	15,093
Net GST (paid to) / received from ATO		(83,899)	59,286
Payments for financial expenses and borrowing costs		(2,618)	(3,478)
Net cash provided by / (used in) operating activities	16	<u>123,161</u>	<u>(71,329)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		-	28,300
Purchase of property, plant and equipment		(6,350)	(11,177)
Net cash (used in) / provided by investing activities		<u>(6,350)</u>	<u>17,123</u>
Net increase / (decrease) in cash held		116,811	(54,206)
Cash and cash equivalents at beginning of financial year		<u>944,864</u>	<u>999,070</u>
Cash and cash equivalents at end of financial year	5	<u><u>1,061,674</u></u>	<u><u>944,864</u></u>

The accompanying notes form part of these financial statements.

THE SOUTH AUSTRALIAN CHAMBER OF MINES AND ENERGY INC
Financial report for the year ended 30 June 2019
Notes to the Financial Statements for the year ended 30 June 2019

The financial statements cover The South Australian Chamber of Mines and Energy Inc ("SACOME") as an individual entity. SACOME is an Association incorporated in South Australia and operating pursuant to the Associations Incorporation Act 1985.

The financial statements were authorised for issue on _____ of _____ 2019 by the members of the Council.

Note 1: Summary of Significant Accounting Policies

Basis of Preparation

These general purpose financial statements have been prepared in accordance with the Associations Incorporation Act 1985 and Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board. SACOME is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

Accounting Policies

a. Income Tax

SACOME is exempt from income tax under the provisions of Section 50-10 of the Income Tax Assessment Act, 1997. No provision for income tax liability is considered necessary.

b. Fair Value of Assets and Liabilities

SACOME measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price SACOME would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability). In the absence of such a market, information is extracted from the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

THE SOUTH AUSTRALIAN CHAMBER OF MINES AND ENERGY INC

Financial report for the year ended 30 June 2019

Notes to the Financial Statements for the year ended 30 June 2019 (cont)

c. Property, Plant and Equipment

Plant and equipment

Plant and equipment is measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(f) for details of impairment).

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to SACOME and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

Depreciation

The depreciable amount of all plant and equipment is depreciated on a straight line balance basis over the useful lives of the assets to SACOME, commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Office furniture & equipment	20-33%
Leasehold improvements	2.5%
Motor vehicles	20%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period. Gains and losses on disposals are determined by comparing net proceeds with the carrying amount. These gains and losses are recognised in profit or loss when the item is derecognised. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

d. Leases

Leases of property, plant and equipment, where substantially all the risks and benefits incidental to the ownership of the asset (but not the legal ownership) are transferred to SACOME, are classified as finance leases.

Finance leases are capitalised by recognising an asset and a liability at the lower of the amount equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that SACOME will obtain ownership of the asset over the term of the lease.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses on a straight-line basis over the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

THE SOUTH AUSTRALIAN CHAMBER OF MINES AND ENERGY INC

Financial report for the year ended 30 June 2019

Notes to the Financial Statements for the year ended 30 June 2019 (cont)

e. Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when SACOME becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that SACOME commits itself to either the purchase or the sale of the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15.63.

Classification and subsequent measurement

Financial liabilities

Financial liabilities are subsequently measured at:

- amortised cost; or
- fair value through profit and loss.

A financial liability is measured at fair value through profit and loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3: *Business Combinations* applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liability is subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability, that is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if:

- it is incurred for the purpose of repurchasing or repaying in the near term;
- it is part of a portfolio where there is an actual pattern of short-term profit taking; or
- it is a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in effective hedging relationships)

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability.

If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

Financial assets

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit and loss

on the basis of the two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

THE SOUTH AUSTRALIAN CHAMBER OF MINES AND ENERGY INC

Financial report for the year ended 30 June 2019

Notes to the Financial Statements for the year ended 30 June 2019 (cont)

e. Financial Instruments (cont)

A financial asset is subsequently measured at amortised cost if it meets the following conditions:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principle amount outstanding on specified dates; and
- the business model for managing the financial assets comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the conditions of amortised cost and fair value through other comprehensive income's measurement condition are subsequently measured at fair value through profit and loss.

The entity initially designates a financial instrument as measured at fair value through profit and loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as accounting mismatch) that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance to the documented risk management or investment strategy and information about SACOME was documented appropriately, so as the performance of the financial liability that was part of an entity's financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis; and
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of the financial instruments to measure at fair value through profit and loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- SACOME no longer controls the asset (ie no practical ability to make unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

THE SOUTH AUSTRALIAN CHAMBER OF MINES AND ENERGY INC

Financial report for the year ended 30 June 2019

Notes to the Financial Statements for the year ended 30 June 2019 (cont)

e. Financial Instruments (cont)

Impairment

The entity recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The entity uses the following approaches to impairment, as applicable under AASB 9:

- the simplified approach.

Simplified approach

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

This approach is applicable to:

- trade receivables.

In measuring the expected credit loss, a provision matrix for trade receivables is used, taking into consideration various data to get to an expected credit loss, (ie diversity of its customer base, appropriate groupings of its historical loss experience etc).

Recognition of expected credit losses in financial statements

At each reporting date, SACOME recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

f. Impairment of Assets

At the end of each reporting period, SACOME assesses whether there is any indication that an asset may be impaired. The assessment will consider both external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of that asset, being the higher of the asset's fair value less costs of disposal and its value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is immediately recognised in profit or loss.

Where it is not possible to estimate the recoverable amount of an individual asset, SACOME estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where an impairment loss on a revalued asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

g. Employee Provisions

Short-term employee benefits

Provision is made for SACOME's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

SACOME's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current accounts payable and other payables in the statement of financial position.

THE SOUTH AUSTRALIAN CHAMBER OF MINES AND ENERGY INC

Financial report for the year ended 30 June 2019

Notes to the Financial Statements for the year ended 30 June 2019 (cont)

g. Employee Provisions (Cont)

Other long-term employee benefits

Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates approximating the terms of the obligations. Any remeasurements of other long-term employee benefit obligations due to changes in assumptions are recognised in profit or loss in the periods in which the changes occur.

SACOME's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where SACOME does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

h. Cash and Cash Equivalents

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

i. Accounts Receivable and Other Debtors

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from customers for goods sold in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(f) for further discussion on the determination of impairment losses.

j. Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any discounts allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue from the provision of membership subscriptions and events is recognised on a straight-line basis over the financial year to which it relates.

Grant monies are brought to account as revenue in the period to which the grant relates.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

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

THE SOUTH AUSTRALIAN CHAMBER OF MINES AND ENERGY INC

Financial report for the year ended 30 June 2019

Notes to the Financial Statements for the year ended 30 June 2019 (cont)

k. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented in the Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

l. Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Where SACOME retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, a third statement of financial position as at the beginning of the preceding period is presented in addition to the minimum comparative financial statements.

m. Accounts Payable and Other Payables

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by SACOME during the reporting period that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

n. Provisions

Provisions are recognised when SACOME 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. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

o. Critical Accounting Estimates and Judgements

The Council evaluates estimates and judgments incorporated into the financial statements 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 SACOME.

Key estimates

(i) Impairment

SACOME assesses impairment at the end of each reporting period by evaluating the conditions and events specific to SACOME that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

THE SOUTH AUSTRALIAN CHAMBER OF MINES AND ENERGY INC

Financial report for the year ended 30 June 2019

Notes to the Financial Statements for the year ended 30 June 2019 (cont)

p. New and Amended Accounting Policies Adopted by SACOME

Initial application of AASB 9: Financial Instruments

SACOME has adopted AASB 9: Financial Instruments with a date of initial application of 1 July 2018. As a result, SACOME has changed its financial instruments accounting policies as detailed in the significant accounting policies note.

Considering the initial application of AASB 9 during the financial period, financial statement line items have been affected for the current and prior period. Below in this note are the adjustments made to the affected financial statement line items.

AASB 9 requires retrospective application with some exemptions and exceptions (ie when applying the effective interest method, impairment measurement requirements, and hedge accounting requirements in terms of the Standard).

Disclosure: Initial application of AASB 9

There were no financial assets/liabilities which SACOME had previously designated as at fair value through profit or loss under AASB 139: Financial Instruments: Recognition and Measurement that were subject to reclassification/elected reclassification upon the application of AASB 9. There were no financial assets/liabilities which SACOME has elected to designate as at fair value through profit or loss at the date of initial application of AASB 9.

SACOME applied AASB 9 (as revised in July 2014) and the related consequential amendments to other AASBs. New requirements were introduced for the classification and measurement of financial assets and financial liabilities, as well as for impairment and general hedge accounting.

The date of initial application was 1 July 2018. SACOME has applied AASB 9 to instruments that have not been derecognised as at 1 July 2018 and has not applied AASB 9 to instruments that have already been derecognised as at 1 July 2018. Comparative amounts in relation to instruments that have not been derecognised as at 1 July 2018 have been restated where appropriate.

Financial assets in terms of AASB 9 need to be measured subsequently at either amortised cost or fair value on the basis of SACOME's business model and the cash flow characteristics of the financial assets, as follows:

- debt investments that are held within a business model whose goal is to collect the contractual cash flows, and that have contractual cash flows that are purely payments of principal and interest on the principal amount outstanding, are subsequently measured at amortised cost;
- debt investments that are held within a business model whose goal is both to collect contractual cash flows and to sell it, and that have contractual cash flows that are purely payments of principal and interest on the principal amount outstanding, are subsequently measured at fair value through other comprehensive income; and
- all other debt investments and equity investments are measured at fair value through profit or loss.

Despite these issues, SACOME may make irrevocable elections at initial recognition of a financial asset as follows:

- SACOME may choose to present subsequent changes in fair value of an equity investment that is not held for trading and not a contingent consideration in a business combination in other comprehensive income; and
- SACOME may choose to present a debt investment that meets the amortised cost or fair value through other comprehensive income criteria as measured at fair value through profit or loss if this choice significantly reduces an accounting mismatch.

When an equity investment at fair value through other comprehensive income has a gain or loss previously recognised in other comprehensive income, it is not reclassified to profit or loss. However, when a debt investment at fair value through other comprehensive income is derecognised, the gain or loss recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.

Debt instruments that are subsequently measured at amortised cost or at fair value through other comprehensive income are subject to impairment to profit or loss as a reclassification adjustment.

THE SOUTH AUSTRALIAN CHAMBER OF MINES AND ENERGY INC

Financial report for the year ended 30 June 2019

Notes to the Financial Statements for the year ended 30 June 2019 (cont)

p. New and Amended Accounting Policies Adopted by SACOME (Cont)

The Council Members of SACOME determined the existing financial assets as at 1 July 2018 based on the facts and circumstances that were present and determined that the initial application of AASB 9 had the following effect:

- financial assets as held-to-maturity and loans and receivables that were measured at amortised cost continue to be measured at amortised cost under AASB 9 as they are held to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amount outstanding.

This note contains a table that shows the effect of classification of the financial assets upon initial application.

Impairment

As per AASB 9, an expected credit loss model is applied, not an incurred credit loss model as per the previous standard applicable (AASB 139). To reflect changes in credit risk, this expected credit loss model requires SACOME to account for expected credit losses since initial recognition.

AASB 9 also determines that a loss allowance for expected credit loss be recognised on debt investments subsequently measured at amortised cost or at fair value through other comprehensive income, lease receivables, contract assets, loan commitments and financial guarantee contracts as the impairment provision would apply to them.

If the credit risk on a financial instrument did not show significant change since initial recognition, an expected credit loss amount equal to 12-month expected credit losses are used. However, a loss allowance is recognised at an amount equal to the lifetime expected credit loss if the credit risk on that financial instrument has increased significantly since initial recognition, or if the instrument is an acquired credit-impaired financial asset.

A simple approach is followed in relation to trade receivables as the loss allowance is measured at lifetime expected credit loss.

SACOME reviewed and assessed the existing financial assets on 1 July 2018. The assessment was done to test the impairment of these financial assets using reasonable and supportable information that is available to determine the credit risk of the respective items at the date they were initially recognised. The assessment was compared to the credit risk as at 1 July 2017 and 1 July 2018. The assessment was done without undue cost or effort in accordance with AASB 9.

Financial assets to which the impairment provisions applies (1 July 2018)	Note	Attributes of credit risk	Loss allowance recognised	
			1 July 2017	1 July 2018
Accounts receivable and other debtors	12	SACOME uses the simplified approach and recognises lifetime expected credit loss	11,000	11,000

There is no change to the expected credit loss allowance that SACOME recognises.

The reconciliation of the provision for impairment in accordance with AASB 139 and AASB 137 to the opening loss allowances determined in accordance with AASB 9 for the above mentioned are disclosed in their respective notes.

The consequential amendments to AASB 7 have also resulted in more extensive disclosures about SACOME's exposure to credit risk in the consolidated financial statements.

THE SOUTH AUSTRALIAN CHAMBER OF MINES AND ENERGY INC

Financial report for the year ended 30 June 2019

Notes to the Financial Statements for the year ended 30 June 2019 (cont)

p. New and Amended Accounting Policies Adopted by SACOME (Cont)

Classification and measurement of financial liabilities

AASB 9 determines that the classification and measurement of financial liabilities relates to changes in the fair value designated as at fair value through profit or loss attributable to changes in the credit risk.

AASB 9 further states that the movement in the fair value of financial liabilities that is attributable to changes in the credit risk of that liability needs to be shown in other comprehensive income unless the effect of the recognition constitutes accounting mismatch in profit or loss. Changes in fair value in relation to the financial liability's credit risk are transferred to retained surplus when the financial liability is derecognised and not reclassified through profit or loss. AASB 139 requires the fair value amount of the change of the financial liability designated as at fair value through profit or loss to be presented in profit or loss.

The application of AASB 9 has had no impact on the classification and measurement of SACOME's financial liabilities.

The following table represents the classification and measurement of financial assets and financial liabilities under AASB 9 and AASB 139 at the date of initial application, 1 July 2018.

	Financial instrument category		Carrying amount		
	AASB 139 original	AASB 9 new	AASB 139 original	AASB 9 recognition of additional loss allowance	AASB 9 new
Financial assets					
Current assets					
Accounts receivable and other debtors	Loans and receivables (amortised cost)	Financial assets at amortised cost	73,789	-	73,789
Cash and cash equivalents	Loans and receivables (amortised cost)	Financial assets at amortised cost	944,864	-	944,864
Financial liabilities					
Current liabilities					
Accounts payable and other payables	Amortised cost	Financial liabilities at amortised cost	71,081	-	71,081

There is no impact on the cash flows of SACOME for the application of AASB 9.

THE SOUTH AUSTRALIAN CHAMBER OF MINES AND ENERGY INC

Financial report for the year ended 30 June 2019

Notes to the Financial Statements for the year ended 30 June 2019 (cont)

p. New and Amended Accounting Policies Adopted by SACOME (Cont)

An assessment of Accounting Standards issued by the AASB that are not yet mandatorily applicable and their potential impact on SACOME when adopted in future periods is discussed below:

– AASB 16: *Leases* (applicable from July 2019).

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: *Leases* and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard are as follows:

- recognition of a right-of-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-of-use assets in line with AASB 116: *Property, Plant and Equipment* in profit or loss and unwinding of the liability in principal and interest components;
- inclusion of variable lease payments that depend on an index or a rate in the initial measurement of the lease liability using the index or rate at the commencement date;
- application of a practical expedient to permit a lessee to elect not to separate non-lease components and instead account for all components as a lease; and
- inclusion of additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108: *Accounting Policies, Changes in Accounting Estimates and Errors* or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

Although members of the committee anticipate that the adoption of AASB 16 will impact SACOME's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact as SACOME is currently in negotiations to find a new leased premises, with the current lease due to expire in October 2019.

– AASB 1058: *Income of Not-for-Profit Entities* (applicable from 1 July 2019).

This Standard is applicable to transactions that do not arise from enforceable contracts with customers involving performance obligations.

The significant accounting requirements of AASB 1058 are as follows:

- Income arising from an excess of the initial carrying amount of an asset over the related contributions by owners, increases in liabilities, decreases in assets and revenue should be immediately recognised in profit or loss. For this purpose, the assets, liabilities and revenue are to be measured in accordance with other applicable Standards.
- Liabilities should be recognised for the excess of the initial carrying amount of a financial asset (received in a transfer to enable the entity to acquire or construct a recognisable non-financial asset that is to be controlled by the entity) over any related amounts recognised in accordance with the applicable Standards. The liabilities must be amortised to profit or loss as income when the entity satisfies its obligations under the transfer.

An entity may elect to recognise volunteer services or a class of volunteer services as an accounting policy choice if the fair value of those services can be measured reliably, whether or not the services would have been purchased if they had not been donated. Recognised volunteer services should be measured at fair value and any excess over the related amounts (such as contributions by owners or revenue) immediately recognised as income in profit or loss.

The transitional provisions of this Standard permit an entity to either: restate the contracts that existed in each prior period presented in accordance with AASB 108 (subject to certain practical expedients); or recognise the cumulative effect of retrospective application to incomplete contracts on the date of initial application. For this purpose, a completed contract is a contract or transaction for which the entity has recognised all of the income in accordance with AASB 1004 *Contributions*.

Members of the committee anticipate that the adoption of AASB 1058 will have minimal impact on SACOME's financial statements.

THE SOUTH AUSTRALIAN CHAMBER OF MINES AND ENERGY INC

Financial report for the year ended 30 June 2019

Notes to the Financial Statements for the year ended 30 June 2019 (cont)

Note 2: Revenue and other income	Note	2019	2018
		\$	\$
Sales revenue:			
– memberships		1,123,425	1,236,231
Other revenue:			
– function and conference fees		114,478	155,961
– sponsorship		165,000	218,897
– grant income		-	229,085
– other income		71,502	62,950
		<u>350,980</u>	<u>666,893</u>
Total revenue		<u>1,474,405</u>	<u>1,903,125</u>

Note 3: Significant expenses

Expenses		
Employee expenses	738,733	564,572
Consultancy fees *	177,818	531,797
Bank charges	2,618	3,478
Depreciation and amortisation	14,457	13,494
Rent expense	<u>123,918</u>	<u>135,679</u>

* 2018 consultancy fees partially offset by grant income received to employ an Industry Connections Manager.

Note 4: Auditor's Fees

Remuneration of the auditor of SACOME for:		
– auditing services	<u>13,580</u>	<u>11,560</u>

Note 5: Cash and cash equivalents

Cash on hand	-	19
Cash at bank	610,770	533,403
Short-term investments – Term Deposits	<u>450,904</u>	<u>411,442</u>
	<u>1,061,674</u>	<u>944,864</u>

17

The effective interest rate on short-term bank deposits was 2.1% (2018: 2.4%); these deposits have an average maturity of 6 months.

Reconciliation of cash

Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

Cash and cash equivalents	<u>1,061,674</u>	<u>944,864</u>
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THE SOUTH AUSTRALIAN CHAMBER OF MINES AND ENERGY INC

Financial report for the year ended 30 June 2019

Notes to the Financial Statements for the year ended 30 June 2019 (cont)

Note 6: Accounts Receivable and Other Debtors	Note	2019 \$	2018 \$
CURRENT			
Trade receivables		30,058	39,402
Provision for doubtful debts		(11,000)	(11,000)
Amounts owed from ATO		10,979	30,387
Other debtors		-	15,000
Total current accounts receivable and other debtors	17	<u>30,037</u>	<u>73,789</u>

The following table shows the movement in lifetime expected credit loss that has been recognised for accounts receivable and other debtors in accordance with the simplified approach set out in AASB 9.

a. Lifetime Expected Credit Loss – Credit Impaired

	Opening balance under AASB 139 1 July 2017	Adjustment for AASB 9 \$	Net measurement of loss allowance \$	Amounts written off \$	Closing balance 30 June 2018
(i) Trade receivables	11,000	-	-	-	11,000
(i) Other debtors	-	-	-	-	-
	<u>11,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,000</u>

	Opening balance under AASB 139 1 July 2018	Adjustment for AASB 9 \$	Net measurement of loss allowance \$	Amounts written off \$	Closing balance 30 June 2019
(i) Trade receivables	11,000	-	-	-	11,000
(i) Other debtors	-	-	-	-	-
	<u>11,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,000</u>

SACOME applies the simplified approach to providing for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision for all accounts receivable. To measure the expected credit losses, accounts receivable have been grouped based on shared credit risk characteristics and the days past due. The loss allowance provision as at 30 June 2019 is determined as follows. The expected credit losses below also incorporate forward-looking information.

2019	Current	> 30 days past due	> 60 days past due	> 90 days past due	Total
Expected loss rate	0%	0%		22%	
Cross carrying amount	900	2,145		51,013	54,058
Loss allowing provision	-	-		11,000	11,000

2018	Current	> 30 days past due	> 60 days past due	> 90 days past due	Total
Expected loss rate	0%	2%	100%	100%	
Cross carrying amount	21,216	22,633	7,975	2,578	54,402
Loss allowing provision	-	447	7,975	2,578	11,000

THE SOUTH AUSTRALIAN CHAMBER OF MINES AND ENERGY INC

Financial report for the year ended 30 June 2019

Notes to the Financial Statements for the year ended 30 June 2019 (cont)

Note 6: Accounts Receivable and Other Debtors (cont)

Note

Credit risk

SACOME always measures the loss allowance for trade receivables at an amount equal to lifetime expected credit loss. The expected credit losses on accounts receivable are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate, and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

SACOME writes off an accounts receivable amount when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, eg when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier. None of the trade receivables that have been written off are subject to enforcement activities.

Collateral held as security

No collateral is held as security for any of the accounts receivable or other debtor balances.

		2019	2018
		\$	\$
Financial assets classified as loans and receivables			
Accounts receivable and other debtors:			
– total current	17	30,037	73,789

Note 7: Other Current Assets

Prepayments	37,097	26,220
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Note 8: Property, Plant and Equipment

Office furniture & equipment:

At cost	28,253	28,253
Accumulated depreciation	(25,907)	(21,552)
	2,346	6,701

Leasehold Improvements:

At cost	6,350	-
Accumulated depreciation	(4,436)	-
	1,914	-

Motor vehicles:

At cost	11,277	11,277
Accumulated depreciation	(3,299)	(1,044)

	7,976	10,232
Total property, plant and equipment	12,238	16,933

THE SOUTH AUSTRALIAN CHAMBER OF MINES AND ENERGY INC

Financial report for the year ended 30 June 2019

Notes to the Financial Statements for the year ended 30 June 2019 (cont)

Note 8: Property, Plant and Equipment (Cont)

Movements in carrying amounts

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

	Office Equipment	Leasehold Improvements	Motor Vehicles	Total
	\$	\$	\$	\$
Balance at 1 July 2017	15,839	-	-	15,839
Additions	-	-	11,277	11,277
Disposals	-	-	-	-
Depreciation expense	(9,139)	-	(1,044)	(10,183)
Carrying amount at 30 June 2018	6,700	-	10,233	16,933
Additions	-	6,350	-	6,350
Disposals	-	-	-	-
Depreciation expense	(4,354)	(4,436)	(2,255)	(11,045)
Carrying amount at 30 June 2019	2,346	1,914	7,978	12,238

Note 9: Intangibles

	2019	2018
	\$	\$
Software development:		
At cost	13,644	13,644
Accumulated amortisation	(8,137)	(4,726)
	5,507	8,918

Movements in carrying amounts

Movement in the carrying amounts for intangibles between the beginning and the end of the current financial year:

	Software Development	Total
	\$	\$
Carrying amount at 30 June 2018	8,918	8,918
Additions	-	-
Disposals	-	-
Amortisation	(3,411)	(3,411)
Carrying amount at 30 June 2019	5,507	5,507

Note 10: Accounts Payable and Other Payables

	2019	2018
	\$	\$
CURRENT		
Unsecured liabilities:		
Accounts payable	51,316	38,529
Accruals	28,388	21,119
Other payables	19,245	11,433
Membership fees in advance	29,350	60,940
Sponsorship in advance	-	60,000
Other income in advance	102,000	124,236
	230,300	316,258

THE SOUTH AUSTRALIAN CHAMBER OF MINES AND ENERGY INC

Financial report for the year ended 30 June 2019

Notes to the Financial Statements for the year ended 30 June 2019 (cont)

Note 10: Accounts Payable and Other Payables (Cont)	Note	2019 \$	2018 \$
a. Financial liabilities at amortised cost classified as accounts payable and other payables			
Accounts payable and other payables:			
– total current		230,300	316,258
– total non-current		-	-
		<u>230,300</u>	<u>316,258</u>
Less:			
Membership fees in advance		(29,350)	(60,940)
Sponsorship in advance		-	(60,000)
Other income in advance		(102,000)	(124,236)
Financial liabilities as accounts payable and other payables	17	<u>98,950</u>	<u>71,081</u>

The average credit period on accounts payable and other payables is 1 month. No interest is payable on outstanding payables during this period.

Note 11: Employee Provisions

CURRENT

Employee provisions – annual leave entitlements	22,862	3,579
	<u>22,862</u>	<u>3,579</u>

NON CURRENT

Employee provisions – long service leave entitlements	14,253	10,363
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Total employee provisions	<u>37,115</u>	<u>13,941</u>
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Analysis of employee provisions

Opening balance at 1 July 2018	13,941
Additional provisions	52,393
Amounts used	(29,219)
Balance at 30 June 2019	<u>37,115</u>

The provision for employee benefits represents amounts accrued for annual leave and long service leave.

Based on past experience, SACOME does not expect the full amount of annual leave to be settled wholly within the next 12 months. However, the amount must be classified as a current liability because SACOME does not have an unconditional right to defer the settlement of the amount in the event employees wish to use their leave entitlements.

THE SOUTH AUSTRALIAN CHAMBER OF MINES AND ENERGY INC

Financial report for the year ended 30 June 2019

Notes to the Financial Statements for the year ended 30 June 2019 (cont)

Note 12: Capital and Leasing Commitments

	2019	2018
	\$	\$
a. Finance Lease Commitments		
SACOME had no finance lease commitments owing as at 30 June 2019.		
b. Operating Lease Commitments		
Non-cancellable operating leases contracted for but not recognised in the financial statements		
Payable – minimum lease payments:		
– not later than 12 months	29,418	117,670
– between 12 months and five years	-	39,223
– later than five years	-	-
	<u>29,418</u>	<u>156,893</u>

SACOME is currently operating from 1/290 Glen Osmond Road, Fullarton. The property lease is a non-cancellable lease with a three-year term expiring on 30 October 2019. Rent is currently payable monthly in advance.

c. Capital Commitments

SACOME has commitments for capital expenditure, which at reporting date have not been recognised as liabilities, of \$Nil (2018: \$Nil).

Note 13: Contingent Liabilities and Contingent Assets

The Council is not aware of any contingent liabilities or contingent assets present as at 30 June 2019 (2018 \$Nil).

Note 14: Events after the reporting period

The Council is not aware of any significant events since the end of the reporting period.

Note 15: Related Party Transactions

a. Key Management Personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of SACOME, directly or indirectly, including its Council members, is considered key management personnel.

Key management personnel compensation:

- short-term employee benefits	455,901	317,228
- post-employment benefits	41,184	25,064
	<u>497,085</u>	<u>342,292</u>

THE SOUTH AUSTRALIAN CHAMBER OF MINES AND ENERGY INC

Financial report for the year ended 30 June 2019

Notes to the Financial Statements for the year ended 30 June 2019 (cont)

Note 16: Cash Flow Information	Note	2019	2018
		\$	\$
Reconciliation of cash flows used in operating activities with net surplus for the year			
Net surplus for the year		138,612	367,782
<i>Cash flows excluded from surplus</i>			
Non-cash flows in current year surplus:			
– depreciation expense		14,457	13,494
– (gain) on sale of property, plant & equipment		-	(28,300)
Changes in assets and liabilities:			
– decrease in accounts receivable and other debtors		43,753	66,461
– (increase)/decrease in prepayments		(10,878)	14,709
– (decrease) in accounts payable and other payables		(85,958)	(438,988)
– increase/(decrease) in employee provisions		23,174	(66,488)
		123,161	(71,329)

Note 17: Financial Risk Management

SACOME's financial instruments consist mainly of deposits with banks, local money market instruments, receivables and payables. The totals for each category of financial instruments, measured in accordance with AASB 9: *Financial Instruments*, as detailed in the accounting policies to these financial statements, are as follows:

Financial assets			
Cash and cash equivalents	5	1,061,674	944,864
Accounts receivable and other debtors	6	30,037	73,789
Total financial assets		1,091,711	1,018,653
Financial liabilities			
Financial liabilities at amortised cost:			
– accounts payable and other payables	10	98,950	71,081
Total financial liabilities		98,950	71,081

Financial Risk Management Policies

SACOME's Finance and Audit Committee is responsible for, among other issues, monitoring and managing financial risk exposures of SACOME. The Committee monitors SACOME's transactions and reviews the effectiveness of controls relating to credit risk, liquidity risk and market risk. Discussions on monitoring and managing financial risk exposures are held bi-monthly and ~~minuted~~. The Council's overall risk management strategy seeks to ensure that SACOME meets its financial targets, while minimising potential adverse effects of cash flow shortfalls.

THE SOUTH AUSTRALIAN CHAMBER OF MINES AND ENERGY INC

Financial report for the year ended 30 June 2019

Notes to the Financial Statements for the year ended 30 June 2019 (cont)

Note 17: Financial Risk Management (cont)

Specific Financial Risk Exposures and Management

The main risks SACOME is exposed to through its financial instruments are credit risk, liquidity risk, and market risk relating to interest rate risk. There have been no substantive changes in the types of risks SACOME is exposed to, how these risks arise, or the committee's objectives, policies and processes for managing or measuring the risks from the previous period.

a. Credit risk

Credit risk is managed through maintaining procedures (such as the utilisation of systems for the approval, granting and renewal of credit limits, regular monitoring of exposure against such limits and monitoring of the financial stability of significant customers and counterparties) ensuring, to the extent possible, that members and counterparties to transactions are of sound credit worthiness.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the committee has otherwise assessed as being financially sound.

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying amount and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

There is no collateral held by SACOME securing accounts receivable and other debtors.

Accounts receivable and other debtors that are neither past due nor impaired are considered to be of high credit quality. Aggregates of such amounts are detailed at Note 6.

SACOME has no significant concentrations of credit risk with any single counterparty or group of counterparties. Details with respect to credit risk of accounts receivable and other debtors are provided in Note 6.

b. Liquidity risk

Liquidity risk arises from the possibility that SACOME might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. SACOME manages this risk through the following mechanisms:

- preparing forward-looking cash flow analyses in relation to its operating, investing and financing activities;
- only investing surplus cash with major financial institutions; and
- proactively monitoring the recovery of unpaid subscriptions.

The table below reflects an undiscounted contractual maturity analysis for non-derivative financial liabilities. SACOME does not hold any derivative financial liabilities directly.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

THE SOUTH AUSTRALIAN CHAMBER OF MINES AND ENERGY INC

Financial report for the year ended 30 June 2019

Notes to the Financial Statements for the year ended 30 June 2019 (cont)

Note 17: Financial Risk Management (cont)

Financial liability and financial asset maturity analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
	\$	\$	\$	\$	\$	\$	\$	\$
Financial liabilities due for payment								
Accounts payable and other payables	98,950	71,081	-	-	-	-	98,950	71,081
Total contractual outflows	98,950	71,081	-	-	-	-	98,950	71,081
Total expected outflows	98,950	71,081	-	-	-	-	98,950	71,081
Financial assets – cash flows realisable								
Cash and cash equivalents	1,061,674	944,864	-	-	-	-	1,061,674	944,864
Accounts receivable and other debtors	30,037	73,789	-	-	-	-	30,037	73,789
Total anticipated inflows	1,091,711	1,018,653	-	-	-	-	1,091,711	1,018,653
Net (outflow)/inflow on financial instruments	1,091,711	1,018,653	-	-	-	-	1,091,711	1,018,653

Financial assets pledged as collateral

No financial assets have been pledged as security for any financial liability.

c. Market risk

(i) Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. SACOME is exposed to earnings volatility on floating rate instruments. The financial instruments that expose SACOME to interest rate risk are limited to cash and cash equivalents.

At 30 June 2019, SACOME had no borrowings or financial debts payable.

SACOME also manages interest rate risk by ensuring that, whenever possible, payables are paid within any pre-agreed credit terms.

Sensitivity analysis

The following table illustrates sensitivities to SACOME's exposures to changes in interest rates. The table indicates the impact of how profit reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

These sensitivities assume that the movement in a particular variable is independent of other variables.

	Current Surplus	Equity
	\$	\$
Year ended 30 June 2019		
+/- 2 % in interest rates	19,855	19,855
Year ended 30 June 2018		
+/- 2 % in interest rates	18,951	18,951

No sensitivity analysis has been performed on foreign exchange risk as SACOME has no significant exposure to currency risk.

There have been no changes in any of the assumptions used to prepare the above sensitivity analysis from the prior year.

THE SOUTH AUSTRALIAN CHAMBER OF MINES AND ENERGY INC

Financial report for the year ended 30 June 2019

Notes to the Financial Statements for the year ended 30 June 2019 (cont)

Note 17: Financial Risk Management (cont)

Fair Values

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying amounts as presented in the statement of financial position. Refer to Note 18 for disclosures regarding the fair value measurement of SACOME's financial assets.

	Note	2019		2018	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
		\$	\$	\$	\$
Financial assets					
Cash and cash equivalents ⁽ⁱ⁾		1,061,674	1,061,674	944,864	944,864
Accounts receivable and other debtors ⁽ⁱ⁾		30,037	30,037	73,789	73,789
Total financial assets		<u>1,091,711</u>	<u>1,091,711</u>	<u>1,018,653</u>	<u>1,018,653</u>
Financial liabilities					
Accounts payable and other payables ⁽ⁱ⁾		98,950	98,950	71,081	71,081
Total financial liabilities		<u>98,950</u>	<u>98,950</u>	<u>71,081</u>	<u>71,081</u>

- (i) Cash and cash equivalents, accounts receivable and other debtors, and accounts payable and other payables are short-term instruments in nature whose carrying amount is equivalent to fair value. Accounts payable and other payables exclude amounts relating to the provision for annual leave, which is outside the scope of AASB 9.

Note 18: Fair Value Measurements

SACOME does not measure and recognise any assets or liabilities at fair value on a recurring basis after initial recognition.

Note 19: Economic Dependence and Continued Funding of Operations

The ability of the Council to provide services at the current level of operations is dependent upon SACOME maintaining membership subscription income and sponsorship funding.

Note 20: Entity Details

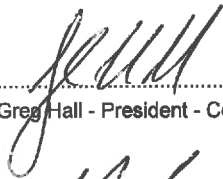
The registered office and principal place of business of SACOME is:
 The South Australian Chamber of Mines and Energy Inc.
 Mines and Energy House
 290 Glen Osmond Road
 FULLARTON SA 5063

THE SOUTH AUSTRALIAN CHAMBER OF MINES AND ENERGY INC
Financial report for the year ended 30 June 2019
Statement by Council Members

In the opinion of the Council members of The South Australian Chamber of Mines and Energy Incorporated the financial report comprising the Statement of Profit or Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and notes to and forming a part of the financial report:

- (a) presents fairly, in all material respects, the financial position of SACOME as at 30 June 2019 and its performance for the year ended on that date, in accordance with Australian Accounting Standards as disclosed in Note 1; and
- (b) at the date of this statement, there are reasonable grounds to believe that SACOME will be able to pay its debts as and when they fall due.

Signed this 11 day of Oct in accordance with a resolution of the Council members.


.....

Greg Hall - President - Council Member


.....

Andrew Dyda - Chair of Audit and Finance Committee - Council Member

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SOUTH AUSTRALIAN CHAMBER OF MINES AND ENERGY INC**

Opinion

We have audited the financial report of South Australian Chamber of Mines and Energy Incorporated ('the Chamber'), which comprises the statement of financial position as at 30 June 2019, the statement of comprehensive income, the statement of changes in equity 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 statement by Council Members.

In our opinion, the accompanying financial report of the Chamber is in accordance with the *Associations Incorporation Act 1985*; including:

- (i) presents fairly the Chamber's financial position as at 30 June 2019 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards.

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 Chamber in accordance with the ethical requirements of the *Associations Incorporation Act 1985* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other information

The Council Members are responsible for the other information. The other information comprises the information in the Report of the Council Members and the Detailed Income and Expenditure Statement for the year ended 30 June 2019, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and 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, we conclude that there is a material misstatement of the other information we are required to report that fact. We have nothing to report in this regard.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SOUTH AUSTRALIAN CHAMBER OF MINES AND ENERGY INC (CONT)**

Council Members' responsibility for the financial report

The Council Members of the Chamber are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Associations Incorporation Act 1985* and for such internal control as the Council Members 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 Council Members are responsible for assessing the Chamber'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 Council Members either intend to liquidate the Chamber or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibility 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 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 the 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, we exercise professional judgement and maintain professional scepticism throughout the audit. We 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 our 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 the purpose of expressing an opinion on the effectiveness of the Chamber's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council Members.
- Conclude on the appropriateness of the Council Members' 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 Chamber's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Chamber 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.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SOUTH AUSTRALIAN CHAMBER OF MINES AND ENERGY INC (CONT)**

Auditor's responsibility for the audit of the financial report (Cont)

We communicate with the Council Members regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Nexia Edwards Marshall

Nexia Edwards Marshall
Chartered Accountants



Damien Pozza
Partner

Adelaide
South Australia

11 October 2019

THE SOUTH AUSTRALIAN CHAMBER OF MINES AND ENERGY INC

Financial report for the year ended 30 June 2019

Detailed Income and Expenditure Statement for the year ended 30 June 2019

	2019	2018
	\$	\$
INCOME		
Operating activities:		
– membership subscriptions	1,123,425	1,236,231
– function and conference fees	114,478	155,961
– sponsorship	165,000	218,897
– grant income	-	229,085
Non-operating activities:		
– sub leasing income	11,000	8,721
– interest	19,836	15,093
– gain on disposal of property, plant & equipment	-	28,300
– sundry income	40,666	10,836
	<u>1,474,405</u>	<u>1,903,125</u>
EXPENDITURE		
Employee expenses		
Wages	650,725	590,326
WorkCover	4,012	3,289
Payroll tax and FBT	1,584	(13,963)
Superannuation	59,237	46,254
Provision for employee entitlements	23,174	(61,334)
Total employee expenses	<u>738,733</u>	<u>564,572</u>

THE SOUTH AUSTRALIAN CHAMBER OF MINES AND ENERGY INC

Financial report for the year ended 30 June 2019

Detailed Income and Expenditure Statement for the year ended 30 June 2019 (cont)

	2019	2018
	\$	\$
Depreciation and amortisation expenses		
Depreciation and amortisation	14,457	13,494
Total depreciation and amortisation expenses	14,457	13,494
Finance costs		
Bank charges	2,618	3,478
Total Finance costs	2,618	3,478
Rental expense		
Rent	123,918	135,679
Total rental expense	123,918	135,679
Other expenses		
Accounting fees	18,250	20,835
Advertising	15,451	15,195
Auditing services	13,580	11,560
Cleaning and maintenance	6,813	7,826
Computer expenses	15,459	22,117
Consultancy fees	177,818	531,797
Entertainment	104	-
Function and project expenses	85,934	81,623
Insurance	9,784	8,851
Legal expenses	1,347	13,922
Meeting and conference costs	2,861	1,642
Membership expenses	5,854	3,894
Motor vehicle expenses	2,966	5,927
Printing, postage and stationary	17,295	15,257
Recruitment expenses	17,226	11,514
Repairs and maintenance	155	550
Sponsorship expenses	13,250	-
Staff amenities	11,745	24,509
Sundry expenses	6,341	2,326
Subscription expenses	6,226	5,649
Telephone	11,863	14,708
Travel and accommodation	15,746	18,418
Total other expenses	456,067	818,120
Total expenses	1,335,793	1,535,343
Current year surplus	138,612	367,782

