

THE SOUTH AUSTRALIAN CHAMBER OF MINES AND ENERGY INC

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2018

THE SOUTH AUSTRALIAN CHAMBER OF MINES AND ENERGY INC
Financial report for the year ended 30 June 2018

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THE SOUTH AUSTRALIAN CHAMBER OF MINES AND ENERGY INC
Financial report for the year ended 30 June 2018
Report of the Council Members

Your Council members submit the financial report of the South Australian Chamber of Mines and Energy Inc for the financial year ended 30 June 2018.

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 until 15 Nov 2017 when appointed President)
President: Terry Burgess (until resigned 15 Nov 2017)
Vice President: Rob Malinauskas (Councilor until 15 Nov 2017 when appointed Vice President on 3 August 2018)
Vice President: Jacqui McGill (resigned 31 May 2018)
Vice President: Laura Tyler (Councilor from 31 May 2018 when appointed Vice President on 3 August 2018)
Cr. Vicki Brown
Cr. Andrew Cannon (from 15 Nov 2017)
Cr. Andrew Cole
Cr. Mark Dayman
Cr. Andrew Dyda
Cr. Nicole Galloway-Warland (from 15 Nov 2017)
Cr. Stuart Lammin
Cr. Hamish Little (from 15 Nov 2017)
Cr. Steve McClare (from 15 Nov 2017)
Cr. Wendy Roxbee
Cr. Matt Sherwell (from 15 Nov 2017)
Cr. Chris Jamieson (until 15 Nov 2017)
Cr. Alice McCleary (until 15 Nov 2017)
Cr. Kymberly Sinclair (until 15 Nov 2017)
Cr. Andrew Stocks (until 15 Nov 2017)

Principal Activities

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

Significant Changes

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

Operating Results

The surplus for the year amounted to \$367,782 (2017: deficit of \$153,289).

After Balance Date Events

No matter or circumstance has arisen since 30 June 2018 that has significantly affected or may significantly affect:

- (i) the operations of the Chamber;
- (ii) the results of the operations; and
- (iii) the state of affairs of the Chamber.

THE SOUTH AUSTRALIAN CHAMBER OF MINES AND ENERGY INC
Financial report for the year ended 30 June 2018
Report of the Council Members (cont)

COUNCIL MEMBERS BENEFITS


During the financial year:

- (i) no Council member of the Chamber;
- (ii) no firm in which a Council member is a member; or
- (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 the Chamber and no officer has received either directly or indirectly from the Chamber any payment or other benefit of a pecuniary value.

Signed at Adelaide this 5th day of October 2018, 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 2018

Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2018

	Note	2018	2017
		\$	\$
Revenue	2	1,903,125	1,942,111
Employee benefits expense	3	(564,572)	(1,030,457)
Depreciation and amortisation expenses	3	(13,494)	(26,148)
Finance costs	3	(3,478)	(5,880)
Rental expense	3	(135,679)	(132,877)
Other expenses		(818,120)	(900,038)
Surplus/(deficit) for the year		367,782	(153,289)
Other comprehensive income		-	-
Net surplus/(deficit) attributable to members of the entity		367,782	(153,289)
Total comprehensive surplus/(deficit) attributable to members of the entity		367,782	(153,289)

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 2018
Statement of Financial Position as at 30 June 2018

	Note	2018 \$	2017 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	944,864	999,070
Accounts receivable and other debtors	6	43,402	109,863
Other current assets	7	26,219	40,928
TOTAL CURRENT ASSETS		1,014,485	1,149,861
NON-CURRENT ASSETS			
Property, plant and equipment	8	16,933	15,839
Intangibles	9	8,918	12,329
TOTAL NON-CURRENT ASSETS		25,851	28,168
TOTAL ASSETS		1,040,336	1,178,029
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and other payables	10	285,870	724,858
Employee provisions	11	3,579	70,308
TOTAL CURRENT LIABILITIES		289,449	795,166
NON-CURRENT LIABILITIES			
Employee provisions	11	10,362	10,120
TOTAL NON-CURRENT LIABILITIES		10,362	10,120
TOTAL LIABILITIES		299,811	805,286
NET ASSETS		740,525	372,743
EQUITY			
Retained surplus		740,525	372,743
TOTAL EQUITY		740,525	372,743

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 2018

Statement of Changes in Equity for the year ended 30 June 2018

	Note	Retained Surplus	Total
		\$	\$
Balance at 1 July 2016		526,032	526,032
Comprehensive income			
Net deficit for the year		(153,289)	(153,289)
Total comprehensive income attributable to members of the entity			
Balance at 30 June 2017		372,743	372,743
Balance at 1 July 2017			
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		740,525	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 2018
Statement of Cash Flows for the year ended 30 June 2018

	Note	2018 \$	2017 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members and customers		1,977,617	2,069,309
Payments to suppliers and employees		(2,119,848)	(2,017,772)
Interest received		15,093	25,487
Net GST paid to ATO		59,286	(82,437)
Financial expenses and borrowing costs		(3,478)	(5,880)
Net cash used in operating activities	16	<u>(71,329)</u>	<u>(11,293)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		28,300	-
Purchase of property, plant and equipment		(11,177)	(25,765)
Net cash used in investing activities		<u>17,123</u>	<u>(25,765)</u>
Net decrease in cash held		(54,206)	(37,058)
Cash and cash equivalents at beginning of financial year		999,070	1,036,128
Cash and cash equivalents at end of financial year	5	<u><u>944,864</u></u>	<u><u>999,070</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 2018

Notes to the Financial Statements for the year ended 30 June 2018

The financial statements cover The South Australian Chamber of Mines and Energy Inc ("the Chamber") as an individual entity. The Chamber 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 _____ 2018 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. The Chamber 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

The Chamber 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

The Chamber 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 the Chamber 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 2018

Notes to the Financial Statements for the year ended 30 June 2018 (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 the Chamber 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 the Chamber, 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%
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 the Chamber, 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 the Chamber 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 2018

Notes to the Financial Statements for the year ended 30 June 2018 (cont)

e. Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Chamber commits itself to either purchase or sell 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.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of income or expense in profit or loss.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(ii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Chamber's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iii) Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

THE SOUTH AUSTRALIAN CHAMBER OF MINES AND ENERGY INC

Financial report for the year ended 30 June 2018

Notes to the Financial Statements for the year ended 30 June 2018 (cont)

e. Financial Instruments (cont)

Impairment

A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Chamber recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Derecognition

Financial assets are derecognised where the contractual right to receipt of cash flows expires or the asset is transferred to another party, whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

f. Impairment of Assets

At the end of each reporting period, the Chamber 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, the Chamber 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.

THE SOUTH AUSTRALIAN CHAMBER OF MINES AND ENERGY INC

Financial report for the year ended 30 June 2018

Notes to the Financial Statements for the year ended 30 June 2018 (cont)

g. Employee Provisions

Short-term employee benefits

Provision is made for the Chamber'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.

The Chamber'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.

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.

The Chamber's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Chamber 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.

THE SOUTH AUSTRALIAN CHAMBER OF MINES AND ENERGY INC

Financial report for the year ended 30 June 2018

Notes to the Financial Statements for the year ended 30 June 2018 (cont)

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.

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 the Chamber 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 the Chamber 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.

THE SOUTH AUSTRALIAN CHAMBER OF MINES AND ENERGY INC

Financial report for the year ended 30 June 2018

Notes to the Financial Statements for the year ended 30 June 2018 (cont)

n. Provisions

Provisions are recognised when the Chamber 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 the Chamber.

Key estimates

(i) Impairment

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

p. New Accounting Standards for Application in Future Periods

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

- AASB 9: *Financial Instruments* and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 January 2018).

The Standard will be applicable retrospectively and includes revised requirements for the classification and measurement of financial instruments and revised recognition and derecognition requirements for financial instruments.

The key changes that may affect the Chamber on initial application include certain simplifications to the classification of financial assets and upfront accounting for expected credit loss.

Members of the committee anticipate that the adoption of AASB 9 will have minimal impact on the Chamber's financial instruments and provision for doubtful debts.

- AASB 16: *Leases* (applicable to annual reporting periods beginning on or after 1 January 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 SOUTH AUSTRALIAN CHAMBER OF MINES AND ENERGY INC

Financial report for the year ended 30 June 2018

Notes to the Financial Statements for the year ended 30 June 2018 (cont)

p. **New Accounting Standards for Application in Future Periods (cont)**

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 the Chamber's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

- **AASB 1058: *Income of Not-for-Profit Entities*** (applicable to annual reporting periods beginning on or after 1 January 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 the Chamber's financial statements.

THE SOUTH AUSTRALIAN CHAMBER OF MINES AND ENERGY INC

Financial report for the year ended 30 June 2018

Notes to the Financial Statements for the year ended 30 June 2018 (cont)

Note 2: Revenue and other income	Note	2018	2017
		\$	\$
Sales revenue:			
– memberships		1,236,231	999,303
Other revenue:			
– function and conference fees		155,961	330,534
– sponsorship		218,897	192,931
– grant income		229,085	314,870
– other income		62,950	104,473
		<u>666,893</u>	<u>942,808</u>
Total revenue		<u>1,903,125</u>	<u>1,942,111</u>

Note 3: Significant expenses

Expenses

Employee expenses	564,572	1,030,457
Consultancy fees *	531,797	94,788
Bank charges	3,478	5,880
Depreciation and amortisation	13,494	26,148
Rent expense	<u>135,679</u>	<u>132,877</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 the Chamber for:

– auditing services	<u>11,560</u>	<u>14,800</u>
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Note 5: Cash and cash equivalents

Cash on hand	19	150
Cash at bank	533,403	576,982
Short-term investments – Term Deposits	<u>411,442</u>	<u>421,938</u>
	<u>944,864</u>	<u>999,070</u>

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The effective interest rate on short-term bank deposits was 2.4% (2017: 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>944,864</u>	<u>999,070</u>
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THE SOUTH AUSTRALIAN CHAMBER OF MINES AND ENERGY INC

Financial report for the year ended 30 June 2018

Notes to the Financial Statements for the year ended 30 June 2018 (cont)

Note 6: Accounts Receivable and Other Debtors	Note	2018 \$	2017 \$
CURRENT			
Trade receivables		39,402	120,433
Provision for doubtful debts		(11,000)	(11,000)
Other debtors		15,000	430
Total current accounts receivable and other debtors	17	<u>43,402</u>	<u>109,863</u>

The provision for doubtful debts of \$11,000 was reviewed and determined to still be appropriate at 30 June 2018 (2017: \$11,000).

Movement in the provision for doubtful debts is as follows:

Balance as at 30 June 2017	11,000
- charge for the year	-
Balance as at 30 June 2018	<u>11,000</u>

Credit risk

The Chamber has no significant concentration of credit risk with respect to any single counterparty or group of counterparties. The main source of credit risk to the Chamber is considered to relate to the class of assets described as trade receivables.

The following table details the Chamber's trade receivables and other debtors exposed to credit risk with ageing analysis and impairment provided for thereon. Amounts are considered as "past due" when the debt has not been settled within the terms and conditions agreed between the Chamber and the member or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining their willingness to pay and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Chamber.

The balances of receivables that remain within initial terms (as detailed in the table below) are considered to be of high credit quality.

	Gross Amount \$	Past Due and Impaired \$	Past Due but Not Impaired (Days Overdue)				Within Initial Trade Terms \$
			< 30 \$	31-60 \$	61-90 \$	> 90 \$	
2018							
Trade receivables	54,402	11,000	9,000	7,633	2,975	2,578	21,216
Other debtors	15,000	-	15,000	-	-	-	-
Total	<u>69,402</u>	<u>11,000</u>	<u>24,000</u>	<u>7,633</u>	<u>2,975</u>	<u>2,578</u>	<u>21,216</u>
2017							
Trade receivables	120,443	11,000	11,842	71,500	8,655	-	17,446
Other debtors	430	-	430	-	-	-	-
Total	<u>120,873</u>	<u>11,000</u>	<u>12,272</u>	<u>71,500</u>	<u>8,655</u>	<u>-</u>	<u>17,446</u>

Collateral held as security

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

THE SOUTH AUSTRALIAN CHAMBER OF MINES AND ENERGY INC

Financial report for the year ended 30 June 2018

Notes to the Financial Statements for the year ended 30 June 2018 (cont)

Note 6: Accounts Receivable and Other Debtors (cont)	Note	2018	2017
		\$	\$
Financial assets classified as loans and receivables			
Accounts receivable and other debtors:			
– total current	17	<u>43,402</u>	<u>109,433</u>

Note 7: Other Current Assets

Prepayments	<u>26,219</u>	<u>40,928</u>
-------------	---------------	---------------

Note 8: Property, Plant and Equipment

Office furniture & equipment:		
At cost	28,253	50,601
Accumulated depreciation	<u>(21,553)</u>	<u>(34,762)</u>
	<u>6,700</u>	<u>15,839</u>
Motor vehicles:		
At cost	11,277	72,693
Accumulated depreciation	<u>(1,044)</u>	<u>(72,693)</u>
	<u>10,233</u>	<u>-</u>
Total property, plant and equipment	<u>16,933</u>	<u>15,839</u>

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	Motor Vehicles	Total
	\$	\$	\$
Balance at 1 July 2016	11,018	17,532	28,550
Additions	13,437	-	13,437
Disposals	-	-	-
Depreciation expense	<u>(8,616)</u>	<u>(17,532)</u>	<u>(26,148)</u>
Carrying amount at 30 June 2017	<u>15,839</u>	<u>-</u>	<u>15,839</u>
Additions	-	11,277	11,277
Disposals	-	-	-
Depreciation expense	<u>(9,139)</u>	<u>(1,044)</u>	<u>(10,183)</u>
Carrying amount at 30 June 2018	<u>6,700</u>	<u>10,233</u>	<u>16,933</u>

THE SOUTH AUSTRALIAN CHAMBER OF MINES AND ENERGY INC

Financial report for the year ended 30 June 2018

Notes to the Financial Statements for the year ended 30 June 2018 (cont)

Note 9: Intangibles

	2018	2017
	\$	\$
Software development:		
At cost	13,644	13,644
Accumulated amortisation	(4,726)	(1,315)
	<u>8,918</u>	<u>12,329</u>

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 2017	13,644	13,644
Additions	-	-
Disposals	-	-
Amortisation	(4,726)	(4,726)
Carrying amount at 30 June 2018	<u>8,918</u>	<u>8,918</u>

Note 10: Accounts Payable and Other Payables

	2018	2017
	\$	\$
CURRENT		
Unsecured liabilities:		
Accounts payable	38,529	22,982
Accruals	21,119	39,317
Amounts owed to/(from) ATO	(30,387)	17,862
Other payables	11,433	29,083
Membership fees in advance	60,940	193,659
Sponsorship in advance	60,000	174,655
Other income in advance	124,236	247,300
	<u>285,870</u>	<u>724,858</u>

a. Financial liabilities at amortised cost classified as accounts payable and other payables

Accounts payable and other payables:

- total current	285,870	724,858
- total non-current	-	-
	<u>285,870</u>	<u>724,858</u>

Less:

Membership fees in advance	(60,940)	(193,659)
Sponsorship in advance	(60,000)	(174,655)
Other income in advance	(124,236)	(247,300)
Financial liabilities as accounts payable and other payables	<u>40,694</u>	<u>109,244</u>

17

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

THE SOUTH AUSTRALIAN CHAMBER OF MINES AND ENERGY INC

Financial report for the year ended 30 June 2018

Notes to the Financial Statements for the year ended 30 June 2018 (cont)

Note 11: Employee Provisions	Note	2018	2017
		\$	\$
CURRENT			
Employee provisions – annual leave entitlements		3,579	38,510
Employee provisions – long service leave entitlements		-	31,798
		<u>3,579</u>	<u>70,308</u>
NON CURRENT			
Employee provisions – long service leave entitlements		10,362	10,120
		<u>10,362</u>	<u>10,120</u>
Total employee provisions		<u>13,941</u>	<u>80,428</u>
Analysis of employee provisions			
Opening balance at 1 July 2017		80,428	
Additional provisions		15,420	
Amounts used		(81,907)	
Balance at 30 June 2018		<u>13,941</u>	

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

Based on past experience, the Chamber 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 the Chamber does not have an unconditional right to defer the settlement of the amount in the event employees wish to use their leave entitlements.

Note 12: Capital and Leasing Commitments

a. Finance Lease Commitments

The Chamber had no finance lease commitments owing as at 30 June 2018.

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	117,670	117,670
– between 12 months and five years	39,223	156,893
– later than five years	-	-
	<u>156,893</u>	<u>274,563</u>

The Chamber 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

The Chamber has commitments for capital expenditure, which at reporting date have not been recognised as liabilities, of \$Nil (2017: \$Nil).

THE SOUTH AUSTRALIAN CHAMBER OF MINES AND ENERGY INC

Financial report for the year ended 30 June 2018

Notes to the Financial Statements for the year ended 30 June 2018 (cont)

Note 13: Contingent Liabilities and Contingent Assets

The Council is not aware of any contingent liabilities or contingent assets present as at 30 June 2018 (2017 \$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

Note

2018

2017

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

\$

\$

Key management personnel compensation:

- short-term employee benefits

317,228

582,102

- post-employment benefits

25,064

43,872

342,292

625,974

b. Other Related Parties

Cr. Andrew Dyda is a partner of the legal firm Finlaysons. Fees paid to the legal firm for 2018 were \$Nil (2017: \$10,473).

Transactions are on normal commercial terms and conditions no more favourable than those available to other parties.

Note 16: Cash Flow Information

Reconciliation of cash flows used in operating activities with net surplus for the year

Net loss for the year

367,782

(153,289)

Cash flows excluded from loss

Non-cash flows in current year surplus:

- depreciation expense

13,494

26,148

- (gain)/loss on sale of property, plant & equipment

(28,300)

-

Changes in assets and liabilities:

- (increase)/decrease in accounts receivable and other debtors

66,461

(27,310)

- (increase)/decrease in prepayments

14,709

(10,716)

- increase/(decrease) in accounts payable and other payables

(438,988)

256,729

- (decrease)/increase in employee provisions

(66,488)

(102,855)

(71,329)

(11,293)

THE SOUTH AUSTRALIAN CHAMBER OF MINES AND ENERGY INC

Financial report for the year ended 30 June 2018

Notes to the Financial Statements for the year ended 30 June 2018 (cont)

Note 17: Financial Risk Management

The Chamber's financial instruments consist mainly of deposits with banks, local money market instruments, investments in listed shares, receivables and payables, and lease liabilities.

The totals for each category of financial instruments, measured in accordance with AASB 139: *Financial Instruments: Recognition and Measurement*, as detailed in the accounting policies to these financial statements, are as follows:

	Note	2018	2017
Financial assets		\$	\$
Cash and cash equivalents	5	944,864	999,070
Accounts receivable and other debtors	6	43,402	109,863
Total financial assets		988,265	1,108,933
Financial liabilities			
Financial liabilities at amortised cost:			
— accounts payable and other payables	17	40,694	109,244
Total financial liabilities		40,694	109,244

Financial Risk Management Policies

The Chamber's Finance and Audit Committee is responsible for, among other issues, monitoring and managing financial risk exposures of the Chamber. The Committee monitors the Chamber'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 by the Council Members.

The Council's overall risk management strategy seeks to ensure that the Chamber meets its financial targets, while minimising potential adverse effects of cash flow shortfalls.

Specific Financial Risk Exposures and Management

The main risks the Chamber 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 the Chamber 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.

THE SOUTH AUSTRALIAN CHAMBER OF MINES AND ENERGY INC

Financial report for the year ended 30 June 2018

Notes to the Financial Statements for the year ended 30 June 2018 (cont)

Note 17: Financial Risk Management (cont)

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 the Chamber 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.

The Chamber 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 the Chamber might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Chamber 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. The Chamber 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.

Financial liability and financial asset maturity analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
	\$	\$	\$	\$	\$	\$	\$	\$
Financial liabilities due for payment								
Accounts payable and other payables	40,694	109,244	-	-	-	-	40,694	109,244
Total contractual outflows	40,694	109,244	-	-	-	-	40,694	109,244
Total expected outflows	40,694	109,244	-	-	-	-	40,694	109,244
Financial assets – cash flows realisable								
Cash and cash equivalents	944,864	999,070	-	-	-	-	944,864	999,070
Accounts receivable and other debtors	43,402	109,863	-	-	-	-	43,402	109,863
Total anticipated inflows	988,265	1,108,933	-	-	-	-	988,265	1,108,933
Net (outflow)/inflow on financial instruments	988,265	1,108,933	-	-	-	-	988,265	1,108,933

THE SOUTH AUSTRALIAN CHAMBER OF MINES AND ENERGY INC

Financial report for the year ended 30 June 2018

Notes to the Financial Statements for the year ended 30 June 2018 (cont)

Note 17: Financial Risk Management (cont)

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. The Chamber is exposed to earnings volatility on floating rate instruments. The financial instruments that expose the Chamber to interest rate risk are limited to cash and cash equivalents.

At 30 June 2018, the Chamber had no borrowings or financial debts payable.

The Chamber 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 the Chamber'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 2018	\$	\$
+/- 2 % in interest rates	18,951	18,951
Year ended 30 June 2017		
+/- 2% in interest rates	19,994	19,994

No sensitivity analysis has been performed on foreign exchange risk as the Chamber 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.

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 17 for detailed disclosures regarding the fair value measurement of the Chamber's financial assets.

THE SOUTH AUSTRALIAN CHAMBER OF MINES AND ENERGY INC

Financial report for the year ended 30 June 2018

Notes to the Financial Statements for the year ended 30 June 2018 (cont)

Note 17: Financial Risk Management (cont)

	Note	2018		2017	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
		\$	\$	\$	\$
Financial assets					
Cash and cash equivalents ⁽ⁱ⁾		944,864	944,864	999,070	999,070
Accounts receivable and other debtors ⁽ⁱ⁾		43,402	43,402	109,863	109,863
Total financial assets		988,265	988,265	1,108,933	1,108,933
Financial liabilities					
Accounts payable and other payables ⁽ⁱ⁾		40,694	40,694	109,244	109,244
Total financial liabilities		40,694	40,694	109,244	109,244

- (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 139.

Note 18: Fair Value Measurements

The fair values disclosed in the above table have been determined based on the following methodologies.

- (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 139.

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 the Chamber maintaining membership subscription income and sponsorship funding.

Note 20: Association Details

The registered office of the Chamber is:

The South Australian Chamber of Mines and Energy Inc.
Mines and Energy House
290 Glen Osmond Road
FULLARTON SA 5063

The principal place of business is:

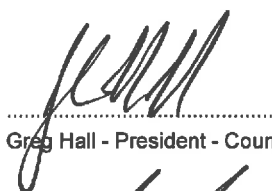
The South Australian Chamber of Mines and Energy Inc.
Mines and Energy House
290 Glen Osmond Road
FULLARTON SA 5063

THE SOUTH AUSTRALIAN CHAMBER OF MINES AND ENERGY INC
Financial report for the year ended 30 June 2018
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 the Chamber as at 30 June 2018 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 the Chamber will be able to pay its debts as and when they fall due.

Signed this 5th day of October 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 2018, 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 2018 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 2018, 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

5 October 2018

THE SOUTH AUSTRALIAN CHAMBER OF MINES AND ENERGY INC

Financial report for the year ended 30 June 2018

Detailed Income and Expenditure Statement for the year ended 30 June 2018

	2018	2017
	\$	\$
INCOME		
Operating activities:		
– membership subscriptions	1,236,231	999,303
– function and conference fees	155,961	330,534
– sponsorship	218,897	192,931
– grant income	229,085	314,870
Non-operating activities:		
– sub leasing income	8,721	17,659
– interest	15,093	25,487
– gain/(loss) on disposal of property, plant & equipment	28,300	-
– sundry income	10,836	61,327
	<u>1,903,125</u>	<u>1,942,111</u>
EXPENDITURE		
Employee expenses		
Wages	590,326	1,027,939
WorkCover	3,289	5,978
Payroll tax and FBT	(13,963)	23,330
Superannuation	46,254	81,218
Provision for employee entitlements	(61,334)	(108,008)
Total employee expenses	<u>564,572</u>	<u>1,030,457</u>

THE SOUTH AUSTRALIAN CHAMBER OF MINES AND ENERGY INC

Financial report for the year ended 30 June 2018

Detailed Income and Expenditure Statement for the year ended 30 June 2018 (cont)

	2018	2017
	\$	\$
Depreciation and amortisation expenses		
Depreciation and amortisation	13,494	26,148
Total depreciation and amortisation expenses	13,494	26,148
Finance costs		
Bank charges	3,478	5,880
Total Finance costs	3,478	5,880
Rental expense		
Rent	135,679	132,877
Total rental expense	135,679	132,877
Other expenses		
Accounting fees	20,835	19,750
Advertising	15,195	17,688
Auditing services	11,560	14,800
Cleaning and maintenance	7,826	9,094
Computer expenses	22,117	18,042
Consultancy fees	531,797	94,788
Dirt TV expenses	-	27,210
Electricity and gas	-	3,302
Entertainment	-	1,013
Function and project expenses	81,623	271,941
Insurance	8,851	9,049
Legal expenses	13,922	12,652
Meeting and conference costs	1,642	127,900
Membership expenses	3,894	8,180
Motor vehicle expenses	5,927	7,600
Printing, postage and stationary	15,257	21,166
Professional development	-	12,067
Recruitment expenses	11,514	59,348
Repairs and maintenance	550	3,963
Resourcing SA expenditure	-	60,523
Sponsorship expenses	-	13,549
Staff amenities	24,509	(980)
Sundry expenses	2,326	17,318
Subscription expenses	5,649	7,415
Telephone	14,708	21,151
Travel and accommodation	18,418	12,679
Women in Resources	-	28,830
Total other expenses	818,120	900,038
Total expenses	1,535,343	2,095,400
Current year surplus/(deficit)	367,782	(153,289)