

THE SOUTH AUSTRALIAN CHAMBER OF MINES AND ENERGY INC

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

THE SOUTH AUSTRALIAN CHAMBER OF MINES AND ENERGY INC
Financial report for the year ended 30 June 2020

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THE SOUTH AUSTRALIAN CHAMBER OF MINES AND ENERGY INC
Financial report for the year ended 30 June 2020
Report of the Councillors

Your Councillors submit the financial report of the South Australian Chamber of Mines and Energy Inc ("SACOME") for the financial year ended 30 June 2020.

Councillors

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

President: Cr Greg Hall (Rex Minerals)
Vice President: Cr Matt Sherwell (Santos)
Vice President: Cr Mark Dayman (Fyfe)
Cr Gabrielle Iwanow (OZ Minerals)
Cr Sarah Clarke (Piper Alderman)
Cr Mark Dayman (Fyfe)
Cr Varis Lidums (Minotaur)
Cr Laura Tyler (BHP)
Cr Gavin Swart (Iluka)
Cr Wendy Roxbee (Senex)
Cr Matt Sherwell (Santos)
Cr Nicholas Mumford (MC2)

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 \$232,219 (2019: surplus of \$138,612).

After Balance Date Events

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has been financially positive for SACOME up to 30 June 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the State and Federal Governments and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect SACOME's operations, the results of those operations, or SACOME's state of affairs in future financial years.

THE SOUTH AUSTRALIAN CHAMBER OF MINES AND ENERGY INC

Financial report for the year ended 30 June 2020

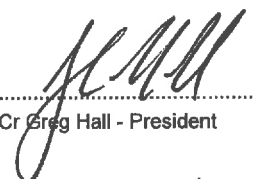
Report of the Councillors (cont)

COUNCILLORS BENEFITS

During the financial year:

- (i) no Councillor of SACOME;
- (ii) no firm in which a Councillor is a member; and
- (iii) no body corporate in which a Councillor has a substantial interest has received or become entitled to receive a benefit as a result of a contract between the Councillors, 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, other than those disclosed in Note 18 of the financial report.

Signed at Adelaide this 11th day of September 2020, in accordance with a resolution of the Councillors.



.....

Cr Greg Hall - President



.....

Cr Varis Lidums - Chair of the Finance, Risk and Audit Committee

THE SOUTH AUSTRALIAN CHAMBER OF MINES AND ENERGY INC

Financial report for the year ended 30 June 2020

Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2020

	Note	2020	2019
		\$	\$
Revenue	2	1,586,772	1,474,405
Employee benefits expense	3	(684,600)	(738,733)
Depreciation and amortisation expenses	3	(13,777)	(14,457)
Finance costs	3	(1,934)	(2,618)
Rental expense	3	(104,363)	(123,918)
Other expenses		(549,879)	(456,067)
Surplus for the year		232,219	138,612
Other comprehensive income		-	-
Net surplus attributable to members of the entity		232,219	138,612
Total comprehensive surplus attributable to members of the entity		232,219	138,612

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 2020

Statement of Financial Position as at 30 June 2020

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	1,025,830	1,061,674
Accounts receivable and other debtors	6	171,489	30,037
Other current assets	7	17,952	37,097
TOTAL CURRENT ASSETS		1,215,272	1,128,808
NON-CURRENT ASSETS			
Property, plant and equipment	8	227,552	12,238
Right-of-use assets	9	457,656	-
Intangibles	10	2,096	5,507
TOTAL NON-CURRENT ASSETS		687,304	17,744
TOTAL ASSETS		1,902,576	1,146,552
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and other payables	11	103,897	98,950
Contract liabilities	12	181,980	131,350
Lease liabilities	13	19,557	-
Employee provisions	14	28,420	22,862
TOTAL CURRENT LIABILITIES		333,855	253,162
NON-CURRENT LIABILITIES			
Lease liabilities	13	443,353	-
Employee provisions	14	14,012	14,253
TOTAL NON-CURRENT LIABILITIES		457,365	14,253
TOTAL LIABILITIES		791,220	267,415
NET ASSETS		1,111,356	879,137
EQUITY			
Retained surplus		1,111,356	879,137
TOTAL EQUITY		1,111,356	879,137

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 2020

Statement of Changes in Equity for the year ended 30 June 2020

	Note	Retained Surplus	Total
		\$	\$
Balance at 1 July 2018		740,525	740,525
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		879,137	879,137
Balance at 1 July 2019			
Comprehensive income			
Net surplus for the year		232,219	232,219
Total comprehensive income attributable to members of the entity			
Balance at 30 June 2020		1,111,356	1,111,356

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 2020

Statement of Cash Flows for the year ended 30 June 2020

	Note	2020 \$	2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members and customers		1,581,362	1,646,133
Payments to suppliers and employees		(1,371,511)	(1,456,291)
Interest received		12,986	19,836
Net GST (paid to) / received from ATO		(66,682)	(83,899)
Payments for financial expenses and borrowing costs		(1,934)	(2,618)
Net cash provided by operating activities	19	<u>154,221</u>	<u>123,161</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(190,065)	(6,351)
Net cash (used in) investing activities		<u>(190,065)</u>	<u>(6,351)</u>
Net (decrease) / increase in cash held		(35,844)	116,810
Cash and cash equivalents at beginning of financial year		<u>1,061,674</u>	<u>944,864</u>
Cash and cash equivalents at end of financial year	5	<u><u>1,025,830</u></u>	<u><u>1,061,674</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 2020

Notes to the Financial Statements for the year ended 30 June 2020

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 the 11th of September 2020 by the Councillors.

Note 1: Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

SACOME has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of SACOME.

The following Accounting Standards and Interpretations are most relevant to SACOME:

AASB 15 Revenue from Contracts with Customers

SACOME has adopted AASB 15 from 1 July 2019. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

AASB 1058 Income of Not-for-Profit Entities

SACOME has adopted AASB 1058 from 1 July 2019. The standard replaces AASB 1004 'Contributions' in respect of income recognition requirements for not-for-profit entities. The timing of income recognition under AASB 1058 is dependent upon whether the transaction gives rise to a liability or other performance obligation at the time of receipt. Income under the standard is recognised where: an asset is received in a transaction, such as by way of grant, bequest or donation; there has either been no consideration transferred, or the consideration paid is significantly less than the asset's fair value; and where the intention is to principally enable the entity to further its objectives. For transfers of financial assets to the entity which enable it to acquire or construct a recognisable non-financial asset, the entity must recognise a liability amounting to the excess of the fair value of the transfer received over any related amounts recognised. Related amounts recognised may relate to contributions by owners, AASB 15 revenue or contract liability recognised, lease liabilities in accordance with AASB 16, financial instruments in accordance with AASB 9, or provisions in accordance with AASB 137. The liability is brought to account as income over the period in which the entity satisfies its performance obligation. If the transaction does not enable the entity to acquire or construct a recognisable non-financial asset to be controlled by the entity, then any excess of the initial carrying amount of the recognised asset over the related amounts is recognised as income immediately. Where the fair value of volunteer services received can be measured, a private sector not-for-profit entity can elect to recognise the value of those services as an asset where asset recognition criteria are met or otherwise recognise the value as an expense.

THE SOUTH AUSTRALIAN CHAMBER OF MINES AND ENERGY INC

Financial report for the year ended 30 June 2020

Notes to the Financial Statements for the year ended 30 June 2020 (cont)

Note 1: Summary of Significant Accounting Policies (cont)

Impact of adoption

AASB 15 and AASB 1058 were adopted using the modified retrospective approach and as such comparatives have not been restated. There was no impact on opening retained profits as at 1 July 2019.

The impact of the AASB 15 and AASB 1058 compared with the previous Accounting Standards on the current reporting period is as follows:

	New \$	Previous \$	Difference \$
Contract liabilities	(131,350)	-	131,350
Other current liabilities	-	(131,350)	(131,350)
Net Assets	(131,350)	(131,350)	-

AASB 16 Leases

SACOME has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

Impact of adoption

AASB 16 was adopted using the modified retrospective approach and as such the comparatives have not been restated. There was no impact on opening retained profits as at 1 July 2019.

THE SOUTH AUSTRALIAN CHAMBER OF MINES AND ENERGY INC

Financial report for the year ended 30 June 2020

Notes to the Financial Statements for the year ended 30 June 2020 (cont)

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 2020

Notes to the Financial Statements for the year ended 30 June 2020 (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	2.5-10%
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.

Right-of-Use Assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where SACOME expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

SACOME has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

THE SOUTH AUSTRALIAN CHAMBER OF MINES AND ENERGY INC

Financial report for the year ended 30 June 2020

Notes to the Financial Statements for the year ended 30 June 2020 (cont)

d. 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 2020

Notes to the Financial Statements for the year ended 30 June 2020 (cont)

d. 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 2020

Notes to the Financial Statements for the year ended 30 June 2020 (cont)

d. 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.

e. 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.

f. 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 2020

Notes to the Financial Statements for the year ended 30 June 2020 (cont)

f. 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.

g. 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.

h. 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.

i. Contract Assets

Contract assets are recognised when SACOME has transferred goods or services to the customer but where SACOME is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

j. Revenue Recognition

SACOME recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which SACOME is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, SACOME: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

THE SOUTH AUSTRALIAN CHAMBER OF MINES AND ENERGY INC

Financial report for the year ended 30 June 2020

Notes to the Financial Statements for the year ended 30 June 2020 (cont)

j. Revenue Recognition (cont)

Grants

Grant revenue is recognised in profit or loss when SACOME satisfies the performance obligations stated within the funding agreements.

If conditions are attached to the grant which must be satisfied before SACOME is eligible to retain the contribution, the grant will be recognised in the statement of financial position as a liability until those conditions are satisfied.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

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. Contract Liabilities

Contract liabilities represent SACOME's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the SACOME recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before SACOME has transferred the goods or services to the customer.

o. Lease Liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, SACOME's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

THE SOUTH AUSTRALIAN CHAMBER OF MINES AND ENERGY INC

Financial report for the year ended 30 June 2020

Notes to the Financial Statements for the year ended 30 June 2020 (cont)

p. Critical Accounting Estimates and Judgements

SACOME 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.

Note 2: Revenue	Note	2020 \$	2019 \$
Revenue from contracts with customers			
– memberships		1,052,212	1,123,425
– function and conference fees		42,190	114,478
– sponsorship		180,000	165,000
– sundry income		98,384	51,666
		<u>1,372,786</u>	<u>1,454,570</u>
Other revenue:			
– grant income (inc. JobKeeper and Cash Flow Boost)		201,000	-
– interest		12,986	19,836
		<u>213,986</u>	<u>19,836</u>
Total revenue		<u>1,586,772</u>	<u>1,474,405</u>

Note 3: Significant expenses

Expenses

Employee expenses	684,600	738,733
Consultancy fees	258,504	177,818
Bank charges	1,934	2,618
Depreciation and amortisation	13,777	14,457
Rent expense	<u>104,363</u>	<u>123,918</u>

Note 4: Auditor's Fees

Remuneration of the auditor of SACOME for:

– auditing services	<u>12,000</u>	<u>13,580</u>
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Note 5: Cash and cash equivalents

Cash at bank	525,830	610,770
Short-term investments – Term Deposits	500,000	450,904
	<u>1,025,830</u>	<u>1,061,674</u>

20

The effective interest rate on short-term bank deposits was 2.1% (2019: 2.1%); 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>1,025,830</u>	<u>1,061,674</u>
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THE SOUTH AUSTRALIAN CHAMBER OF MINES AND ENERGY INC

Financial report for the year ended 30 June 2020

Notes to the Financial Statements for the year ended 30 June 2020 (cont)

Note 6: Accounts Receivable and Other Debtors	Note	2020	2019
		\$	\$
CURRENT			
Trade receivables		104,320	30,058
Provision for loss allowance		-	(11,000)
Amounts receivable from ATO		17,169	10,979
Accrued Revenue (Cash Flow Boost)		50,000	-
Total current accounts receivable and other debtors		<u>171,489</u>	<u>30,037</u>
Less: Amounts receivable from ATO		(17,169)	(10,979)
Less: Accrued Revenue (Cash Flow Boost)		(50,000)	-
Financial Assets classified as loans and receivables	20	<u>104,320</u>	<u>19,058</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

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 2020 is determined as follows. The expected credit losses below also incorporate forward-looking information.

2020	Current	> 30 days past due	> 60 days past due	> 90 days past due	Total
Expected loss rate	0%	0%		0%	0%
Cross carrying amount	44,534	55,000		4,786	104,320
Loss allowing provision	-	-		-	-
2019	Current	> 30 days past due	> 60 days past due	> 90 days past due	Total
Expected loss rate	0%	0%		0%	22%
Cross carrying amount	900	2,145		51,013	54,058
Loss allowing provision	-	-		11,000	11,000

THE SOUTH AUSTRALIAN CHAMBER OF MINES AND ENERGY INC

Financial report for the year ended 30 June 2020

Notes to the Financial Statements for the year ended 30 June 2020 (cont)

Note 6: Accounts Receivable and Other Debtors (cont)

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.

Note 7: Other Current Assets

Prepayments	17,952	37,097
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Note 8: Property, Plant and Equipment

Office furniture & equipment:

At cost	33,438	28,253
Accumulated depreciation	(18,884)	(25,907)
	14,554	2,346

Leasehold improvements:

At cost	207,276	6,350
Accumulated depreciation	-	(4,436)
	207,276	1,914

Motor vehicles:

At cost	11,277	11,277
Accumulated depreciation	(5,555)	(3,299)
	5,722	7,977

Total property, plant and equipment	227,552	12,238
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THE SOUTH AUSTRALIAN CHAMBER OF MINES AND ENERGY INC

Financial report for the year ended 30 June 2020

Notes to the Financial Statements for the year ended 30 June 2020 (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 Improve.	Motor Vehicles	Total
	\$	\$	\$	\$
Balance at 1 July 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
Additions	14,558	207,276	-	221,834
Disposals	-	-	-	-
Depreciation expense	(2,350)	(1,914)	(2,256)	(6,520)
Carrying amount at 30 June 2020	14,554	207,276	5,722	227,552

Note 9: Right-of-use assets

Right-of-use asset property lease

At cost

461,502 -

Accumulated depreciation

(3,846) -

457,656 -

Additions to the right-of-use assets during the year were \$461,502

SACOME leases Level 3, 115 King William Street, Adelaide, 5000 for its offices under an agreement with a five year lease term expiring in May 2025, with an option to extend for a further five years.

Note 10: Intangibles

2020 2019

\$ \$

Software development:

At cost

13,644 13,644

Accumulated amortisation

(11,548) (8,137)

2,096 5,507

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 2019	5,507	5,507
Additions	-	-
Disposals	-	-
Amortisation	(3,411)	(3,411)
Carrying amount at 30 June 2020	2,096	2,096

THE SOUTH AUSTRALIAN CHAMBER OF MINES AND ENERGY INC

Financial report for the year ended 30 June 2020

Notes to the Financial Statements for the year ended 30 June 2020 (cont)

Note 11: Accounts Payable and Other Payables	2020	2019
	\$	\$
CURRENT		
Unsecured liabilities:		
Accounts payable	50,245	51,316
Accruals	31,680	28,388
Other payables	21,972	19,245
	<u>103,897</u>	<u>98,950</u>

Note 12: Contract Liabilities	2020	2019
	\$	\$
Membership fees in advance	33,430	29,350
Other income in advance	148,550	102,000
	<u>181,980</u>	<u>131,350</u>

Reconciliation

Reconciliation of the written down values at the beginning and end of the current and previous financial year are set out below:

Opening balance	131,350	245,176
Payments received in advance	181,980	131,350
Transfer to revenue - included in the opening balance	(131,350)	(245,176)
Closing balance	<u>181,980</u>	<u>131,350</u>

Note 13: Lease Liabilities

CURRENT		
Lease Liabilities	19,557	-
	<u>19,557</u>	<u>-</u>
NON CURRENT		
Lease Liabilities	443,353	-
	<u>443,353</u>	<u>-</u>
Total Lease Liabilities	<u>462,910</u>	<u>-</u>

Note 14: Employee Provisions

CURRENT		
Employee provisions – annual leave entitlements	28,420	22,862
	<u>28,420</u>	<u>22,862</u>
NON CURRENT		
Employee provisions – long service leave entitlements	14,012	14,253
	<u>14,012</u>	<u>14,253</u>
Total employee provisions	<u>42,432</u>	<u>37,115</u>

Analysis of employee provisions

Opening balance at 1 July 2019	37,115
Additional provisions	45,397
Amounts used	(40,079)
Balance at 30 June 2020	<u>42,432</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 2020

Notes to the Financial Statements for the year ended 30 June 2020 (cont)

Note 15: Leasing and Capital Commitments

2020	2019
\$	\$

a. Operating Lease Commitments

Non-cancellable operating leases contracted for but not recognised in the financial statements

Committed at reporting date but not recognised as liabilities, payable;

- not later than 12 months	-	29,418
- between 12 months and five years	-	-
- later than five years	-	-
	-	29,418

b. Capital Commitments

SACOME has commitments for capital expenditure, which at reporting date have not been recognised as liabilities of \$Nil (2019: \$Nil).

Note 16: Contingent Liabilities and Contingent Assets

The Council is not aware of any contingent liabilities or contingent assets present as at 30 June 2020 (2019 \$Nil).

Note 17: Events after the reporting period

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has been financially positive for SACOME up to 30 June 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the State and Federal Governments and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect SACOME's operations, the results of those operations, or SACOME's state of affairs in future financial years.

Note 18: 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 Councillors, is considered key management personnel.

Key management personnel compensation:

- short-term employee benefits	416,048	455,901
- post-employment benefits	38,979	41,184
	455,027	497,085

b. Other Related Parties

Cr. Sarah Clarke is a partner of the legal firm Piper Alderman. Fees paid to the legal firm for 2020 were \$1,650 (2019: Nil). There were no amounts payable in relation to this transaction as at year end. Transactions are on normal commercial terms and conditions no more favourable than those available to other parties.

Cr. Nicholas Mumford is a Director of the consulting firm MC2. Fees paid to the consulting firm for 2020 were \$21,725 (2019: Nil). There were no amounts payable in relation to this transaction as at year end. Transactions are on normal commercial terms and conditions no more favourable than those available to other parties.

THE SOUTH AUSTRALIAN CHAMBER OF MINES AND ENERGY INC

Financial report for the year ended 30 June 2020

Notes to the Financial Statements for the year ended 30 June 2020 (cont)

Note 19: Cash Flow Information	Note	2020 \$	2019 \$
Reconciliation of cash flows used in operating activities with net surplus for the year			
Net surplus for the year		232,219	138,612
<i>Cash flows excluded from surplus</i>			
Non-cash flows in current year surplus:			
– depreciation expense		13,777	14,457
Changes in assets and liabilities:			
– decrease in accounts receivable and other debtors		(141,453)	43,753
– (increase)/decrease in prepayments		19,145	(10,878)
– (decrease) in accounts payable and other payables		25,215	(85,958)
– increase/(decrease) in employee provisions		5,317	23,174
		<u>154,221</u>	<u>123,160</u>

Note 20: 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	1,025,830	1,061,674
Loans and other receivables	6	104,320	19,058
Total financial assets		<u>1,130,151</u>	<u>1,080,732</u>
Financial liabilities			
Financial liabilities at amortised cost:			
Accounts payable and other payables	11	103,897	98,950
Lease liabilities		462,910	-
Total financial liabilities		<u>566,807</u>	<u>98,950</u>

Financial Risk Management Policies

SACOME's Finance, Risk 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 at least quarterly.

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 2020

Notes to the Financial Statements for the year ended 30 June 2020 (cont)

Note 20: 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 2020

Notes to the Financial Statements for the year ended 30 June 2020 (cont)

Note 20: Financial Risk Management (cont)

Financial liability and financial asset maturity analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
	\$	\$	\$	\$	\$	\$	\$	\$
Financial liabilities due for payment								
Accounts payable and other payables	103,897	98,950	-	-	-	-	103,897	98,950
Interest bearing lease liabilities (interest rate 3.66%)	36,285	-	251,576	-	278,185	-	566,046	-
Total contractual outflows	140,182	98,950	251,576	-	278,185	-	669,943	98,950
Total expected outflows	140,182	98,950	251,576	-	278,185	-	669,943	98,950
Financial assets – cash flows realisable								
Cash and cash equivalents	1,025,830	1,061,674	-	-	-	-	1,025,830	1,061,674
Accounts receivable and other debtors	104,320	19,058	-	-	-	-	104,320	19,058
Total anticipated inflows	1,130,151	1,080,732	-	-	-	-	1,130,151	1,080,732
Net (outflow)/inflow on financial instruments	989,968	981,782	(251,576)	-	(278,185)	-	460,207	981,782

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 2020, 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 2020		
+/- 2 % in interest rates	16,996	16,996
Year ended 30 June 2019		
+/- 2 % in interest rates	17,657	17,657

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 2020

Notes to the Financial Statements for the year ended 30 June 2020 (cont)

Note 20: 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.

	2020		2019	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents ⁽ⁱ⁾	1,025,830	1,025,830	1,061,674	1,061,674
Accounts receivable and other debtors ⁽ⁱ⁾	104,320	104,320	19,058	19,058
Total financial assets	1,130,151	1,130,151	1,080,732	1,080,732
Financial liabilities				
Accounts payable and other payables ⁽ⁱ⁾	103,897	103,897	98,950	98,950
Lease liabilities	462,910	462,910	-	-
Total financial liabilities	566,807	566,807	98,950	98,950

- (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 21: Fair Value Measurements

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

Note 22: Economic Dependence and Continued Funding of Operations

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

Note 23: Entity Details

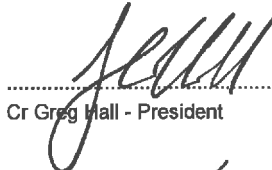
The registered office and principal place of business of SACOME is:
The South Australian Chamber of Mines and Energy Inc.
Level 3, 115 King William Street
ADELAIDE SA 5000

THE SOUTH AUSTRALIAN CHAMBER OF MINES AND ENERGY INC
Financial report for the year ended 30 June 2020
Statement by Councillors

In the opinion of the Councillors 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 2020 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 is able to pay its debts as and when they fall due.

Signed this 11th day of September 2020 in accordance with a resolution of the Councillors.


.....
Cr Greg Hall - President


.....
Cr Varis Lidums - Chair of the Finance, Risk and Audit Committee

**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 2020, the Statement of Profit or Loss and Other 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 Councillors.

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 2020 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 & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other information

The Councillors are responsible for the other information. The other information comprises the information in the Report of the Councillors and the Detailed Income and Expenditure Statement for the year ended 30 June 2020, 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)**

Councillors' responsibility for the financial report

The Councillors 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 Councillors 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 Councillors 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 Councillors 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 Councillors.
- Conclude on the appropriateness of the Councillors' 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 Councillors 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

D. Pozza

Damien Pozza
Partner

Adelaide
South Australia

11 September 2020

THE SOUTH AUSTRALIAN CHAMBER OF MINES AND ENERGY INC

Financial report for the year ended 30 June 2020

Detailed Income and Expenditure Statement for the year ended 30 June 2020

	2020	2019
	\$	\$
INCOME		
Operating activities:		
— membership subscriptions	1,052,212	1,123,425
— function and conference fees	42,190	114,478
— sponsorship	180,000	165,000
— grant income (inc. JobKeeper and Cash Flow Boost)	201,000	-
Non-operating activities:		
— sub leasing income	1,750	11,000
— interest	12,986	19,836
— sundry income	96,634	40,666
	1,586,772	1,474,405
EXPENDITURE		
Employee expenses		
Wages	616,088	650,725
WorkCover	4,007	4,012
Payroll tax and FBT	-	1,584
Superannuation	59,188	59,237
Provision for employee entitlements	5,317	23,174
Total employee expenses	684,600	738,733

THE SOUTH AUSTRALIAN CHAMBER OF MINES AND ENERGY INC

Financial report for the year ended 30 June 2020

Detailed Income and Expenditure Statement for the year ended 30 June 2020 (cont)

	2020	2019
	\$	\$
Depreciation and amortisation expenses		
Depreciation and amortisation	13,777	14,457
Total depreciation and amortisation expenses	13,777	14,457
Finance costs		
Bank charges	1,934	2,618
Total Finance costs	1,934	2,618
Rental expense		
Rent	104,363	123,918
Total rental expense	104,363	123,918
Other expenses		
Accounting fees	41,790	18,250
Advertising	42,162	15,451
Auditing services	12,000	13,580
Cleaning and maintenance	1,620	6,813
Computer expenses	21,029	15,459
Consultancy fees	258,504	177,818
Entertainment	1,309	104
Function and project expenses	39,575	85,934
Insurance	7,044	9,784
Interest - Lease expenses	1,408	-
Legal expenses	10,238	1,347
Meeting and conference costs	1,019	2,861
Membership expenses	281	5,854
Motor vehicle expenses	3,046	2,966
Printing, postage and stationary	6,172	17,295
Recruitment expenses	1,140	17,226
Repairs and maintenance	22,976	155
Sponsorship expenses	13,500	13,250
Staff amenities	10,807	11,745
Sundry expenses	15,361	6,341
Subscription expenses	15,120	6,226
Telephone	13,953	11,863
Travel and accommodation	9,826	15,746
Total other expenses	549,879	456,067
Total expenses	1,354,553	1,335,793
Current year surplus	232,219	138,612