

AUSTRALIAN SOCIETY OF EXPLORATION GEOPHYSICISTS
A COMPANY LIMITED BY GUARANTEE

A.B.N. 71 000 876 040

FINANCIAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

AUSTRALIAN SOCIETY OF EXPLORATION GEOPHYSICISTS

A.B.N. 71 000 876 040

DIRECTORS' REPORT

Your directors present their report on the company for the year ended 31 December 2021.

DIRECTORS

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

Dr K Brand (appointed 07/04/2020)

L Atkinson (appointed 07/04/2020)

Dr Y Poudjom Djomani (appointed 06/04/2021)

E Brand (appointed 06/04/2021)

Dr D Annetts (appointed 04/04/2019) Resigned 29/11/2021

D Burns (appointed 13/04/2016) Resigned 06/04/2021

The directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

OPERATING RESULTS

The company produced a net deficit for the financial year amounting to \$30,161 (2020 net surplus: \$22,831).

REVIEW OF OPERATIONS

A review of the operations of the company during the financial year and the results of those operations are as follows:

- The principal activity of the company during the financial year was fostering the science of geophysics.
- No significant change in the nature of these activities occurred during the financial year.
- No significant change in the company's state of affairs occurred during the financial year.

MISSION/PURPOSE

The ASEG aims are:

- to promote the science of geophysics, and specifically exploration geophysics, throughout Australia
- to foster fellowship and co-operation between geophysicists
- to encourage closer understanding and co-operation with other earth scientists
- to assist in design and teaching of courses in geophysics and to sponsor student sections where appropriate.

KEY PERFORMANCE MEASURES

The company measures its performance on the basis of sound financial results through prudent management of limited resources and the promotion of exploration geophysics. The longer-term measurement of this success is seen in the development of geophysics.

EVENTS SUBSEQUENT TO BALANCE DATE

The COVID19 pandemic has been significantly affecting the financial environment. There is a possibility that it will significantly affect the operations of the Society, the results of these operations or the state of affairs of the Society in future financial years. It is not possible to quantify the effects of the pandemic on the society's financial affairs as of the date of this report.

AUSTRALIAN SOCIETY OF EXPLORATION GEOPHYSICISTS

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DIRECTORS' REPORT (CONTINUED)

LIKELY DEVELOPMENTS

There are no likely developments in the operations of the company, which are expected to affect the results of the company's operations in subsequent financial years.

ENVIRONMENTAL ISSUES

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

DIVIDENDS

The company is limited by guarantee and the Constitution does not permit the distribution of dividends to its members.

No dividends have been paid, declared or proposed by the company since the commencement of the financial year.

DIRECTORS' BENEFITS

Since the commencement of the financial year no director of the company has received or become entitled to receive, a benefit because of a contract that the director, a firm of which the director is a member, or an entity in which the director has a substantial financial interest, has made with:

- The company, or
- An entity that the company controlled or a body corporate that was related to the company, when the contract was made or when the director received, or became entitled to receive, the benefit.

OPTIONS

The company does not have a share capital as it is a company limited by guarantee. Accordingly, no options over interests in the company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

INSURANCE OF OFFICERS

No indemnities have been given, or insurance premiums paid, during or since the end of the financial year for any person who is or has been an officer or auditor of the company.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

DIRECTORS MEETINGS

During the year ended 31 December 2021, 12 meetings of the company's directors were held.

For each director, particulars of the relevant numbers of meetings (including meetings of the Federal Council of which the director was a member) held and attended during the period of directorship are shown below:

AUSTRALIAN SOCIETY OF EXPLORATION GEOPHYSICISTS

A.B.N. 71 000 876 040

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001**

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2021 there has been:

- (i) no contraventions of the auditor's independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

**MARK TINWORTH
CHARTERED ACCOUNTANT**

North Sydney,

2022

TINWORTH & Co

CHARTERED ACCOUNTANTS and BUSINESS ADVISORS

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF AUSTRALIAN SOCIETY OF EXPLORATION GEOPHYSICISTS

Opinion

We have audited the attached financial report of Australian Society of Exploration Geophysicists (“the entity”) which comprises the statement of financial position as at 31 December 2021, the statement of profit or loss and other comprehensive income, statement of recognised income and expenditure, cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, other explanatory notes and the Directors’ Report.

In our opinion, the accompanying financial report of Australian Society of Exploration Geophysicists is in accordance with the Corporations Act 2001, including:

1. giving a true and fair view of the Company’s financial position as at 31 December 2021 and of its financial performance for the year then ended; and
2. complying with Australian Accounting Standards, and the Corporations Regulations 2001.

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 Directors in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standard 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 of our opinion.

Responsibilities of the Directors for the financial report

The directors are responsible for the preparation and fair presentation of the financial report that gives a true and fair view and have determined the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Corporations Act 2001 and is appropriate to meet the needs of the members. The directors’ responsibility also includes such internal control as the directors determine in necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor’s responsibility

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 misstatements 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 of our opinion. The risk of not detecting 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

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- 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 Board's internal control
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the company's use of going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieved fair representation.

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

MARK TINWORTH
CHARTERED ACCOUNTANT

North Sydney

2022

AUSTRALIAN SOCIETY OF EXPLORATION GEOPHYSICISTS

A.B.N. 71 000 876 040

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 9 to 25 are in accordance with the Corporations Act 2001:
 - (a) comply with Australian Accounting Standards; and
 - (b) give a true and fair view of the company's financial position as at 31 December 2021 and of its performance for the year ended on that date of the company.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

Director:

Dated this day of 2022

AUSTRALIAN SOCIETY OF EXPLORATION GEOPHYSICISTS

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STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 \$	2020 \$
Revenues	2	407,172	323,699
Meeting expenses		(100,747)	(65,588)
Membership expenses		(9,899)	(7,655)
Conference		(49,115)	-
Secretariat		(104,286)	(88,661)
Donation		(30,000)	(45,000)
Awards		(11,390)	(18)
Insurance		(3,949)	(3,724)
Finance expenses		(6,973)	(7,015)
Publication		(103,140)	(71,926)
Website & software		(16,934)	(5,866)
Education		(900)	(2,856)
Bad debt expenses	3	-	(2,559)
Profit (loss) before income tax		(30,161)	22,831
Income tax expense	1	-	-
Profit (loss) after income tax		(30,161)	22,831
Other comprehensive income after income tax		-	-
Total comprehensive income for the year		(30,161)	22,831
Total comprehensive income attributable to members of the entity		<u>(30,161)</u>	<u>22,831</u>

The accompanying notes form part of these financial statements

AUSTRALIAN SOCIETY OF EXPLORATION GEOPHYSICISTS**A.B.N. 71 000 876 040****STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021**

	Note	2021 \$	2020 \$
CURRENT ASSETS			
Cash and cash equivalents	4	1,070,073	1,120,365
Trade and other receivables	5	118,937	107,034
Less: Provision for doubtful debts	5	-	(1,485)
ASEG Conference Seed funds	6	25,800	25,800
Other assets	7	<u>2,689</u>	<u>3,277</u>
TOTAL CURRENT ASSETS		<u>1,217,499</u>	<u>1,254,991</u>
TOTAL ASSETS		<u>1,217,499</u>	<u>1,254,991</u>
CURRENT LIABILITIES			
Trade and other payables	8	60,838	72,616
Other liabilities	9	<u>61,832</u>	<u>66,437</u>
TOTAL CURRENT LIABILITIES		<u>122,670</u>	<u>139,053</u>
NON-CURRENT LIABILITIES			
Other liabilities	10	<u>26,574</u>	<u>17,522</u>
TOTAL NON-CURRENT LIABILITIES		<u>26,574</u>	<u>17,522</u>
TOTAL LIABILITIES		<u>149,244</u>	<u>156,575</u>
NET ASSETS		<u>1,068,255</u>	<u>1,098,416</u>
EQUITY			
Retained Earnings		<u>1,068,255</u>	<u>1,098,416</u>
TOTAL EQUITY		<u>1,068,255</u>	<u>1,098,416</u>

The accompanying notes form part of these financial statements

AUSTRALIAN SOCIETY OF EXPLORATION GEOPHYSICISTS

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**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Retained Earnings
	\$
Balance 1 January 2018	884,183
Profit (Loss) for the 2018 year	<u>(143,238)</u>
Balance as at 31 December 2018	740,945
Profit (Loss) for the 2019 year	<u>334,640</u>
Balance as at 31 December 2019	1,075,585
Profit (Loss) for the 2020 year	<u>22,831</u>
Balance as at 31 December 2020	1,098,416
Profit (Loss) for the 2021 year	<u>(30,161)</u>
Balance as at 31 December 2021	<u>1,068,255</u>

The accompanying notes form part of these financial statements.

AUSTRALIAN SOCIETY OF EXPLORATION GEOPHYSICISTS

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**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021	2020
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Members' & customers' receipts		393,029	609,377
Interest received		5,202	10,356
Payments to suppliers & employees		<u>(448,523)</u>	<u>(329,761)</u>
Net Cash Generated from Operating Activities	12	<u>(50,292)</u>	<u>289,972</u>
Net Increase (Decrease) in Cash Held		(50,292)	289,972
Cash at the Beginning of The Financial Year		<u>1,120,365</u>	<u>830,393</u>
Cash at the End of the Financial Year	4	<u>1,070,073</u>	<u>1,120,365</u>

The accompanying notes form part of these financial statements.

AUSTRALIAN SOCIETY OF EXPLORATION GEOPHYSICISTS

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a general purpose financial report and covers the Australian Society of Exploration Geophysicists, incorporated and domiciled in Australia. Australian Society of Exploration Geophysicists is a company limited by guarantee.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial report, except for the cash flow information, has been prepared on an accruals basis and is based on historic 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 report have been rounded to the nearest dollar.

Income Tax

No provision for income tax has been raised as the entity is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

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 the date that the entity commits itself to either the purchase or sale of an asset.

Financial instruments (except for trade receivables) 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 the transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivable do not contain a significant financing component or if the practical expedient has been applied as specified in AASB 15.

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 applies
- Held for trading, or
- Initially designated as at fair value through profit and loss

All other financial liabilities are subsequently measured at fair value, amortised cost using the effective interest rate. The effective interest rate 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.

AUSTRALIAN SOCIETY OF EXPLORATION GEOPHYSICISTS

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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.

Financial asset

Financial assets are subsequently measured at:

- Amortised cost
- Fair value through other comprehensive income
- Fair value through profit and loss

Measurement is 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

A financial asset is subsequently measured at amortised cost when 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 principal amount outstanding on specified dates.

A financial asset is subsequently measured at fair value through other comprehensive income when it meets the following conditions:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
- the business model for managing the financial asset 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 financial instruments as measured at fair value through profit and loss if:

- It eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.
- It is in accordance to the documented risk management or investment strategy and information about the groupings was documented appropriately, so the performance of the financial liability that was part of the entity of 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.

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. An exchange of an existing financial liability for a new one with substantial 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.

AUSTRALIAN SOCIETY OF EXPLORATION GEOPHYSICISTS

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The difference between the carrying amount of the financial liability derecognized 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 of the following criteria need to be satisfied for derecognition of 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
- The entity no longer controls the asset

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 the profit or loss.

Impairment

The company recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost or fair value through other comprehensive income.

Loss allowance is not recognised for financial assets measured at fair value through profit or loss.

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.

General approach

Under the general approach, at each reporting period, the company assesses whether the financial instruments are credit-impaired, and:

- If the credit risk of the financial instrument has increased significantly since initial recognition, the Entity measures the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; and
- If there has been no significant increase in credit risk since initial recognition, the Entity measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

Recognition of expected credit losses in financial statements

At each reporting date, the company recognise 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.

Assets measured at fair value through other comprehensive income are recognised at fair value with changes in fair value recognised in other comprehensive income. The amount in relation to change in credit risk is transferred from other comprehensive income to profit or loss at every reporting period.

AUSTRALIAN SOCIETY OF EXPLORATION GEOPHYSICISTS

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Impairment of Assets

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less cost to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is recognised in profit or loss.

Where the assets are not held primarily for their liability to generate net cash inflows – that is, they are specialised assets held for continuing use of their service capacity – the recoverable amounts are expected to be materially the same as fair value.

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

Where an impairment loss on a revalued individual 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.

Depreciation of Plant and Equipment

Each class of property plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation.

Plant and equipment are measured on the cost basis. All assets are depreciated using the straight line basis so as to write off the cost of each asset over its expected useful life to the company.

Depreciation rates used for each class of asset are:

Class of fixed asset	Depreciation rate
Plant and Equipment	10.0%
Fixtures and Fittings	12.5%

An asset carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

Revenue

Membership revenue is measured at the fair value of the consideration received and is brought to account on a straight-line basis over the period of the membership.

Interest revenue is recognised proportionally using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

Grant revenue is recognised in the statement of comprehensive income when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

AUSTRALIAN SOCIETY OF EXPLORATION GEOPHYSICISTS

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered to be a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as revenue on receipt.

Revenue from the rendering of a service is recognised upon delivery of the service to the customer.

All revenue is stated net of the amount of Goods and Service Tax ("GST").

Goods and Services Tax

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), it is recognised as part of the cost of acquisition of an asset or as part of an item of expense.

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 statements of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from or payable to the ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

Accounts Receivables and Other Debtors

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from the customers. Receivables expected to collect 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.

Trade and other payables

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

Employee Entitlements

Provision is made for the liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries and annual leave which will be settled after one year have been measured at their nominal amount. Other employee entitlements payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those entitlements. Contributions are made to an employee superannuation fund and are charged as expenses when incurred. The company has no legal obligation to provide benefits to employees on retirement.

AUSTRALIAN SOCIETY OF EXPLORATION GEOPHYSICISTS

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash equivalents

For the purpose of the statement of cash flows, cash includes cash on hand and at call deposits with banks or financial institutions, net of bank overdrafts

Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial report 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 company.

Key judgements

Performance obligations under AASB 15

To identify a performance obligation under AASB 15, the promise must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the promise is sufficiently specific by taking into account any conditions specific in the arrangement, explicit or implicit, regarding the promised goods or services. In making this assessment, management includes the nature/type, cost/value. Quantity and the period of transfer related to the goods or services promised.

Comparative figures

When required by accounting standards, comparative figures have been adjusted to conform to changes in presentation for the current year.

Liability of Members

The company is limited by guarantee. If the company is wound up, clause 14.4 of the Constitution states that no member of the Society shall be liable to contribute towards the payment of the debts or liabilities of the Society, or the costs, charges or expenses of winding up of the Society.

New and Amended Accounting Policies Adopted by the Company

Initial adoption of AASB 2018-6: *Amendments to Australian Accounting Standards – Definition of a Business*

- AASB: 2018-7: *Amendments to Australian Accounting Standards – Definition of Material*

This amendment principally amends AASB 101 and AASB 1008 by refining the definition of material by improving the wording and aligning the definition across the standards issues by the AASB.

New and Amended Accounting Policies Not Yet Adopted by the Company

AASB 106: *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*

- The AASB has issued AASB 1060: *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*. AASB 1060 defines the disclosure requirements for Tier 2 general purpose financial statements, as defined by Australian Accounting Standards, and serves as a replacement for the existing Reduced Disclosure Regime.

AUSTRALIAN SOCIETY OF EXPLORATION GEOPHYSICISTS

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020
	\$	\$
1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES		
AASB 1060 may be early-adopted and is mandatory for periods beginning on or after 1 July 2021 (and is mandatory for the Company's 30 June 2022 year-end).		
2. Revenue		
Membership income	88,473	106,355
Meetings & Event income	66,871	47,912
Publication	114,528	160,066
Conference income	90,693	-
SAEMC net surplus	15,500	-
Interest received	4,378	8,125
Sponsorship income	26,715	773
Sundry	14	468
	<u>407,172</u>	<u>323,699</u>
3. Bad debt expenses		
Bad debt expenses	-	1,485
Adjustment of previous conference surplus	-	1,074
	<u>-</u>	<u>2,559</u>
4. Cash and cash equivalents		
Cash at Bank – Cheque Account	610,073	600,817
Cash at Bank – Term Deposits	460,000	519,548
	<u>1,070,073</u>	<u>1,120,365</u>
The effective interest rate on short term deposits was 0.40% (2020: 0.83%) and these deposits have an average maturity of three hundred and twenty nine days.		
5. Trade and Other Receivables		
Trade debtors	116,879	104,765
Less: Provision for bad debts	-	(1,485)
GST refundable	871	258
Interest receivable	1,187	2,011
	<u>118,937</u>	<u>105,549</u>

Current trade receivables are non-interest bearing loans and generally are receivable within 30 days.

Credit risk

The Company 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 Company is considered to relate to the class of assets described as advertising receivable.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2021 2020
\$ \$

5. Trade and Other Receivables (Cont'd)

The following table details the Company's advertising receivable exposed to credit risk with ageing analysis and impairment provided thereon. Amounts are considered as 'past due' when the debt has not been settled within the terms and conditions agreed between the Company and the member 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 Company. The balances of receivables that remain within initial terms (as detailed in the table) are considered to be of high credit quality.

2021	Gross Amount	Past due & impaired	Past due but not impaired (Days overdue)				Within initial trade terms
			<30	31-60	61-90	>90	
	\$	\$	\$	\$	\$	\$	\$
Trade and other receivables	118,066	-	-	-	300	-	117,766
GST refund	871	-	-	-	-	-	871
	118,937	-	-	-	300	-	118,637

2020	Gross Amount	Past due & impaired	Past due but not impaired (Days overdue)				Within initial trade terms
			<30	31-60	61-90	>90	
	\$	\$	\$	\$	\$	\$	\$
Trade and other receivables	106,776	-	-	-	-	1,485	105,291
GST refund	258	-	-	-	-	-	258
	107,034	-	-	-	-	1,485	105,549

Trade and other receivables

The Company does not hold any financial assets whose terms have been renegotiated, but which would otherwise be past due or impaired.

Collateral held as security

No collateral is held as security for any of the trade and other receivables.

Financial assets classified as loans and receivables

Trade and other receivables	118,937	105,549
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6. ASEG Conference Seed funds

ASEG Conference Seed funds	25,800	25,800
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 \$	2020 \$
7. Other current assets		
Prepayments	<u>2,689</u>	<u>3,277</u>
8. Trade and other payables		
Trade creditors	10,423	11,294
Sundry creditors	43,402	36,757
Donation Research	<u>7,013</u>	<u>24,565</u>
	<u>60,838</u>	<u>72,616</u>
9. Other Liabilities		
Income in advance	<u>61,832</u>	<u>66,437</u>
10. Non-current liabilities		
Income in advance	<u>26,574</u>	<u>17,522</u>
11. Financial instruments		

Financial risk management

The Company's financial instruments consist mainly of deposits with banks, local money market instruments and short-term investments, accounts receivable and payable.

The Company does not have any derivative financial instruments at 31 December 2021.

Financial Risk Management Policies

The Directors' overall risk management strategy seeks to assist the Company in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the Directors on a regular basis.

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

Financial assets

Cash & cash equivalents	1,070,073	1,120,365
Trade & other receivables	<u>118,937</u>	<u>105,549</u>
	<u>1,189,010</u>	<u>1,225,914</u>

Financial liabilities

Trade & other payables	<u>60,838</u>	<u>72,616</u>
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i. Treasury risk management

A finance committee consisting of senior Board members meet on a regular basis to analyse currency and interest rate exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020
	\$	\$

11. Financial instruments (Cont'd)

ii. Financial risks

The main risks the Company is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

Interest rate risk

All financial assets and liabilities are non- interest bearing except for the following:
Cash assets at an average interest rate for the year of 0.40% (2020: 0.83%).

Foreign currency risk

The Company is not exposed to fluctuations in foreign currencies

Interest rate risk

The Company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and will affect future cash flows or the fair value of fixed rate financial instruments.

Floating rate instruments

Cash & cash equivalents	<u>1,070,073</u>	<u>1,120,365</u>
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Liquidity risk

Liquidity risk arises from the possibility that the Company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities

The Company manages this risk through the following mechanisms:

- preparing forward-looking cash flow analysis in relation to its operational, investing and financing activities;
- obtaining funding from various sources
- maintaining a reputable credit profile
- managing credit risk related to financial assets
- only investing surplus cash with major financial institutions
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

Financial liability and financial asset maturity analysis

Within one year

Financial liabilities due for payment:

Trade & other payables excluding deferred income	<u>60,838</u>	<u>72,616</u>
Total expected outflows	<u>60,838</u>	<u>72,616</u>

Financial assets – cash flows realisable:

Cash & cash equivalents	1,070,073	1,120,365
Trade & other receivables	<u>118,937</u>	<u>105,549</u>
Total anticipated inflows	<u>1,189,010</u>	<u>1,225,914</u>

Net (outflows) inflows on financial instruments	<u>1,128,172</u>	<u>1,153,298</u>
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2010
	\$	\$
11. Financial instruments (cont'd)		
Foreign exchange risk		
The Company is not exposed to fluctuations in foreign currencies during the year.		
Credit risk		
Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contractual obligations that could lead to a financial loss to the Company. Credit risk is managed through maintaining procedures ensuring, to the extent possible, that customers and counterparties to transactions are of sound credit worthiness and includes utilisation of systems for that approval, granting and renewal of credit limits, the regular monitoring of exposures against such limits and the monitoring of the financial stability of significant customers and counterparties. Such monitoring is used in assessing receivables for impairment. Credit terms are normally 14-30 days from the date of invoice.		
Customers that do not meet the Company's strict credit policies may only purchase in cash or using recognised credit cards.		
Risk is also minimised through investing surplus funds in financial institutions that maintain high credit ratings or in entities that the finance committee has otherwise cleared as being financially sound.		
The maximum exposure to credit risk by class of recognised financial assets at balance date, excluding the value of any collateral or other security held, is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the balance sheet.		
The company has no significant concentration of credit risk with any single counterparty or group of counterparties.		
Trade & other receivables that are neither past due or impaired are considered to be of high credit quality aggregates of such amounts are as detailed in Note 5.		
The Company does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered in to by the Company.		
Credit risk related to balances with banks and other financial institutions is managed by the finance committee in accordance with approved policy. Such policy requires that surplus funds are only invested in counterparties with a Standard & Poor's (S&P) rating of at least BBB. The following table provides information regarding the credit risk relating to cash based on S&P counterparty credit ratings.		
Cash and cash equivalents		
AA- rated	610,073	600,817
BBB	<u>460,000</u>	<u>519,548</u>
	<u>1,070,073</u>	<u>1,120,365</u>

Price risk

The company is not exposed to any material commodity price risk.

AUSTRALIAN SOCIETY OF EXPLORATION GEOPHYSICISTS

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2010
	\$	\$
11. Financial instruments (cont'd)		

Net 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 values as presented in the balance sheet. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arms length transaction. Fair values derived may be based on information that is estimated or subject to judgement, where changes in assumptions may have a material impact on the amounts estimated, Areas of judgement and the assumptions have been detailed below.

Differences between fair values and carrying values of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the company.

	2021		2020	
	Net carrying value	Net fair value	Net carrying value	Net fair value
Financial assets				
Cash & cash equivalents	1,070,073	1,070,073	1,120,365	1,120,365
Trade & other receivables	<u>118,937</u>	<u>118,937</u>	<u>105,549</u>	<u>105,549</u>
Total financial assets	<u>1,189,010</u>	<u>1,189,010</u>	<u>1,225,914</u>	<u>1,225,914</u>
Financial Liabilities				
Trade & other payables	<u>60,838</u>	<u>60,838</u>	<u>72,616</u>	<u>72,616</u>
Total financial liabilities	<u>60,838</u>	<u>60,838</u>	<u>72,616</u>	<u>72,616</u>

The fair values of these financial assets have been based on the closing quoted bid prices at the end of the reporting period, excluding transaction costs.

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

- (i) Cash and cash equivalents, trade and other receivables and trade and other payables are short term instruments in nature whose carrying value is equivalent to fair value.

Sensitivity analysis

The following table illustrates sensitivities to the company's exposures to changes in interest rates and equity prices. The table indicates the impact on how profit and equity values reporting 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.

AUSTRALIAN SOCIETY OF EXPLORATION GEOPHYSICISTS

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020
	\$	\$
11. Financial instruments (Cont'd)		
	Profit	Equity
	\$	\$
Year ended 31 December 2021		
+/- 2% in interest rates	21,904	21,904
Year ended 31 December 2020		
+/- 2% in interest rates	19,508	19,508

No sensitivity analysis has been performed on foreign exchange risk as the company is not exposed to foreign currency fluctuations.

12. Cash Flow Information

(a) Reconciliation of net cash provided by operating activities to profit (loss) from ordinary activities after income tax

Operating Profit (Loss) after Income Tax	(30,161)	22,831
Add: Non-cash flows		
- Bad debt expenses	-	2,559
Changes in Assets and Liabilities:		
- (Increase) Decrease in Receivables	(13,388)	286,578
- (Increase) Decrease in Other Assets	588	(25,320)
- Increase (Decrease) in Payables	(7,331)	3,324
Net Cash (used in) provided by Operating Activities	(50,292)	289,972

(b) The company has no credit stand-by or financing facilities in place.

(c) There were no non-cash financing or investing activities during the year.

13. Events after the Balance Sheet Date

The COVID19 pandemic has been significantly affecting the financial environment. There is a possibility that it will significantly affect the operations of the Society, the results of these operations or the state of affairs of the Society in future financial years. It is not possible to quantify the effects of the pandemic on the society's financial affairs as of the date of this report.

14. Company Details

The principal place of business of the company is:
Australian Society of Exploration Geophysicists
Level 3, 33 Atchison Street
ST LEONARDS NSW 2065

The company's registered office is:
Australian Society of Exploration Geophysicists
Level 3, 33 Atchison Street

ST LEONARDS NSW 2065

TINWORTH & Co

CHARTERED ACCOUNTANTS and BUSINESS ADVISORS

COMPILATION REPORT

TO AUSTRALIAN SOCIETY OF EXPLORATION GEOPHYSICISTS

On the basis of information provided by the directors of the Australian Society of Exploration Geophysicists, we have compiled in accordance with APES 315: 'Statement on Compilation of Financial Reports', the special purpose financial report of the Australian Society of Exploration Geophysicists for the year ended 31st December 2021, as set out in the attached Detailed Profit and Loss Statement.

The specific purpose for which the special purpose financial report has been prepared is to provide private to the directors. The extent to which Accounting Standards and other mandatory professional reporting requirements have or have not been adopted in the preparation of the special purpose financial report set out in Note 1.

The directors are solely responsible for the information contained in the special purpose financial report and have determined that the accounting policies used are and are appropriate to satisfy the requirements of the directors.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the directors provided, into a financial report. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

To the extent permitted by law, we do not accept liability for any loss or damage which any person, other than the company, may suffer arising from any negligence on our part. No person should rely on the special purpose financial report without having an audit or review conducted.

The special purpose financial report was prepared for the benefit of the company and its members and the purpose identified above. We do not accept responsibility to any other person for the contents of the special purpose financial report.

MARK TINWORTH
CHARTERED ACCOUNTANT

North Sydney,

2022

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Liability limited by a scheme approved under Professional Standards Legislation

AUSTRALIAN SOCIETY OF EXPLORATION GEOPHYSICISTS
A.B.N. 71 000 876 040

PRIVATE INFORMATION FOR THE DIRECTORS
ON THE 2021 FINANCIAL STATEMENTS

DETAILED PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

	Total 2021 \$	Total 2020 \$
INCOME		
Membership income	88,473	106,355
Meetings & Event income	66,871	47,912
Publication	114,528	160,066
Conference income	90,693	-
SAEMC net surplus	15,500	
Interest received	4,378	8,125
Sponsorship income	26,715	773
Sundry	14	468
	<u>407,172</u>	<u>323,699</u>
EXPENDITURE		
Audit fees	3,900	4,270
Bank fees	2,551	2,584
Computer website expenses	16,934	5,866
Conference expenses	49,115	0
Donation – Research foundation	30,000	45,000
Dues & membership fees	6,492	6,755
Education	900	2,856
Filing fees	522	161
Insurance	3,949	3,724
Meeting expenses	65,540	22,640
Postage & Couriers	257	677
Printing, stationery & photocopying	112	79
Prizes & awards	11,390	18
Publication	103,140	71,926
Secretariat expenses	98,309	87,095
Subscriptions	3,407	900
Sponsorship	3,024	636
Telephone, internet & facsimile	523	624
Travel & accommodation expenses	1,218	0
Wine offer expenses	36,045	42,312
Bad debt expenses	-	2,559
Sundry expenses	5	186
	<u>437,333</u>	<u>300,868</u>
Profit before Income Tax	<u>(30,161)</u>	<u>22,831</u>

This financial statement should be read in conjunction with the attached Compilation Report