

**Petroleum Exploration Society of  
Australia Limited**

ACN 009 061 278

**GENERAL PURPOSE FINANCIAL REPORT**  
For the Year Ended 31 December 2013

# Petroleum Exploration Society of Australia Limited

ACN 009 061 278

## Contents page

For the Year Ended 31 December 2013

	<b>Page(s)</b>
Auditors Independence Declaration	3
Independent Auditor's Report	4 - 5
Board of Directors' Report	6 - 11
Statement by the Board of Directors	12
Statement of Comprehensive Income	13
Statement of Financial Position	14
Statement of Cash Flows	15
Statement of Changes in Equity	16
Notes to the Financial Statements	17 - 23

# Petroleum Exploration Society of Australia Limited

ACN 009 061 278

## Auditors Independence Declaration

For the Year Ended 31 December 2013

### Auditor's independence declaration to the Board of Directors of Petroleum Exploration Society of Australia Limited

In relation to our audit of the financial report of Petroleum Exploration Society of Australia Limited for the period ended 31 December 2013, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.



**Robert John Campbell CPA**  
Registered Company Auditor No. 334773  
Australian Audit Group Pty Ltd  
Level 2, 459 Hay Street, PERTH, WA

DATE: 13.3.14

**Petroleum Exploration Society of Australia Limited**

ACN 009 061 278

**Independent Auditor's Report**  
For the Year Ended 31 December 2013

**To the members of Petroleum Exploration Society of Australia Limited**

We have audited the accompanying general purpose financial report of Petroleum Exploration Society of Australia Limited, which comprises the Statement of Financial Position as at 31 December 2013 and the Statement of Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the year ended 31 December 2013, and notes comprising a summary of significant accounting policies and other explanatory information, and the Statement by the Board of Directors.

**Board of Directors' responsibility for the financial report**

The Board of Directors of Petroleum Exploration Society of Australia Limited is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements (including Australian Accounting Interpretations) and the Corporations Act 2001 and for such internal control as the Board of Directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

**Auditor's responsibility**

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the financial report.

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

**Petroleum Exploration Society of Australia Limited**

ACN 009 061 278

**Independent Auditor's Report**

For the Year Ended 31 December 2013

**Independence**

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the Board of Directors of Petroleum Exploration Society of Australia Limited, would be in the same terms if given to the Board of Directors as at the time of this auditor's report.

**Opinion**

In our opinion, the financial report of Petroleum Exploration Society of Australia Limited is in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the company's financial position as at 31 December 2013 and of its performance for the year on that date; and
- (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements (including Australian Accounting Interpretations) and the Corporations Regulations 2001.



**Robert John Campbell CPA**  
Registered Company Auditor No. 334773  
Australian Audit Group Pty Ltd  
Level 2, 459 Hay Street, PERTH, WA

DATE: *13.3.14.*

# Petroleum Exploration Society of Australia Limited

ACN 009 061 278

## Board of Directors' Report

For the Year Ended 31 December 2013

The Directors of Petroleum Exploration Society of Australia Limited ("the Society", a company limited by guarantee) present their report, for the year ended 31 December 2013 made out in accordance with a resolution of the directors, and the independent auditor's report thereon.

### Directors

The Directors of the Society at any time during or since the end of the financial year are:

M Williamson	President	Appointed 13 May 2012
P Cooney	Secretary	Appointed 26 May 2013
R B Adams	Company Secretary	Appointed 27 July 2011
C Carty		Appointed 26 May 2013
A Coffa		Appointed 26 May 2013
C Consoli		Appointed 13 May 2012
S Davey		Appointed 13 May 2012
S Mildren		Appointed 26 May 2013
W Muir		Appointed 26 May 2013
I.LI Chen Yian		Resigned 26 May 2013
L Goldie-Divko		Resigned 26 May 2013
R C King		Resigned 26 May 2013
S McClure		Resigned 26 May 2013
S Slater		Resigned 26 May 2013
GJ Wakelin-King		Resigned 26 May 2013

### Principal Activities

The principal activities of the Society in the course of the year were to provide a medium for the gathering of individuals interested in oil and gas exploration and the petroleum industry in general; to provide a public educational forum for the discussion and consideration of technical aspects of oil and gas exploration and the petroleum industry and to foster and provide continuing education for the benefit of the members of the Society.

### State of Affairs

In the opinion of the Directors there were no significant changes in the state of affairs of the Society that occurred during the period under review not otherwise disclosed in this report or the financial statements.

### Review and Results of Operations

The surplus/(deficit) of the Society for the year was \$69,262 (2012 (\$53,254)). The income of the Society is exempt from income tax under Section 50-40 of the Income Tax Assessment Act 1997.

The operating revenue of the Society for the year ended 31 December 2013 was \$1,368,325 (2012 \$1,431,167). This represents a 4.79% decrease from the Society's operating revenue for the year ended 31 December 2012.

### Dividends

The Society is prohibited by clause 6 of its Memorandum of Association from paying dividends to its members.

# Petroleum Exploration Society of Australia Limited

ACN 009 061 278

## Board of Directors' Report

For the Year Ended 31 December 2013

### Events Subsequent to Balance Date

Since the end of the financial year the Directors are aware that changes to the PESA NEWS and the PESA Web Site (namely the assignment of new supplier contracts) are likely to affect revenue and expenses dramatically for the current year. The Directors are not aware of any matter or circumstance not otherwise dealt with in the report or the accounts that has significantly affected or may affect the operations of the Society, the results of those operations or the state of affairs of the Society in subsequent financial years.

### Likely Developments

The Directors are aware that changes to the PESA News and the PESA Web Site (namely the assignment of new supplier contracts) are likely to affect revenue and expenses dramatically for the current year. The Directors are not aware of any matters which would affect the operations of the Society in subsequent years and do not expect the results of those operations to be substantially different in subsequent financial years.

### Environmental Regulations

The Directors are not aware of any breaches of environmental regulations, under either Commonwealth or State legislation, arising from the Societies operations.

### Auditors

Mr Robert Campbell, registered company auditor, of Australian Audit and Assurance was appointed as auditor in respect of the year ended 31 December 2013 and continues in office as auditor of the Society.

### Information on Directors in office at the date of this report:

Director	Qualifications and Experience	Special Responsibilities
Maxwell Williamson	FAICA, FCPA, FINSIA, FCSA Director 1 year 7 months	President
Phillip Cooney	BSc, Msl, Med Director 7 months	Secretary
R B Adams	MHS GradDip IntBus Secretary 2 years 5 months	Company Secretary
Christopher Carty	Director 7 months	New South Wales
Andre Coffa	Director 7 months	Victoria/Tasmania
Christopher Consoli	BSC(Hons), PhD Director 1 year 7 months	ACT
Simon Davey	MA(Hons) Geology, PhD Geology Director 1 year 7 months	Western Australia
Scott Mildren	BSc, PhD Director 7 months	South Australia
Walter Muir	Director 7 months	Queensland

# Petroleum Exploration Society of Australia Limited

ACN 009 061 278

## Board of Directors' Report

For the Year Ended 31 December 2013

The Society is a company limited by guarantee and does not have share capital. Accordingly, none of the directors have shares in the Society. None of the Directors have declared an interest in a contract or proposed contract with the Society.

### **Board Meeting Attendance:**

<b>Director</b>	<b>Number of meetings</b>	<b>Attended</b>
C.Wakelin King	4	4
Ivan Li Chen Yawl	4	4
Louise Goldie-Divco	4	2
Sue Slater	4	3
Roslyn King	4	1
Max Williamson	11	11
Phillip Cooney	7	4
Simon Davey	11	5
Chris Consoli	11	10
Chris Carty	7	7
Scott Mildren	7	1
Andre Coffa	7	5
Wal Muir	7	5

### **Indemnification and Insurance of Officers and Auditors**

During the financial year the Society has paid premiums in respect of Directors' and Officers' liability for the year ended 31 December 2013 and since the financial year, the Society intends to pay premiums in respect of such insurance contracts for the year ended 31 December 2013. Such insurance contracts insure against certain liability (subject to certain exclusions) persons who are or have been Directors or Officers of the Society.

Directors have not included details of the nature of the liabilities covered or the amount of the premium paid as such disclosure is prohibited under the terms of the contract.

### **Auditor's independence declaration**

The Auditor's independence declaration is set out on page 3 and forms part of the directors' report for the financial year ended 31 December 2013.

Signed in accordance with a resolution of the Directors.



.....  
Director

DATE:



# Petroleum Exploration Society of Australia Limited

ACN 009 061 278


## Statement by the Board of Directors

For the Year Ended 31 December 2013

In the opinion of the Board of Directors of Petroleum Exploration Society of Australia Limited:

- The financial report presents a true and fair view of the financial position of Petroleum Exploration Society of Australia Limited as at 31 December 2013, and its performance for the year ended on that date, in accordance with the accounting policies described in note 1 to these financial statements.
- The operations of Petroleum Exploration Society of Australia Limited have been carried out in accordance with its constitution.
- At the date of this statement, there are reasonable grounds to believe that Petroleum Exploration Society of Australia Limited will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Board of Directors by:

  
Name: \_\_\_\_\_  
Position: *RON ADAMS*  
Date: *SECRETARY*  
*13 MARCH 2014*

# Petroleum Exploration Society of Australia Limited

ACN 009 061 278

## Income Statement

For the Year Ended 31 December 2013

	Notes	2013	2012
		\$	\$
Membership Subscriptions		126,498	92,972
Function Receipts	2	444,628	755,192
Share of surplus - WABS conference 2013		264,607	-
Share of surplus - ASEG-PESA Conference 2013		44,800	-
Publications revenue		419,400	502,156
Other income		12,163	2,790
Investment income		56,229	78,057
<b>Total revenue from operating activities</b>		<b>1,368,325</b>	<b>1,431,167</b>
Employment		(19,925)	(15,484)
Depreciation		(1,240)	(1,240)
Function expenses		(440,840)	(558,082)
Publication expenses	2	(402,049)	(464,110)
Finance costs		(14,631)	(16,508)
Website, membership and booking		(15,324)	(16,724)
Education	2	(66,133)	(53,617)
Other administration costs	2	(280,176)	(192,148)
<b>Total expenses from operating activities</b>		<b>(1,240,318)</b>	<b>(1,317,913)</b>
<b>Surplus from operating activities</b>		<b>128,007</b>	<b>113,254</b>
Donation to Australian Science Teachers Association for TESEP Sponsorship		(58,745)	(60,000)
<b>Total surplus</b>		<b>69,262</b>	<b>53,254</b>

The accompanying notes form part of these financial statements.  
This report should be read in conjunction with the attached audit report.  
Page 10 of 22

# Petroleum Exploration Society of Australia Limited

ACN 009 061 278

## Statement of Financial Position

As At 31 December 2013

	Notes	2013 \$	2012 \$
<b>Current assets</b>			
Cash and cash equivalents	3	1,734,368	1,736,014
Trade and Other receivables	4	<u>484,618</u>	<u>406,953</u>
<b>Total current assets</b>		<u>2,218,986</u>	<u>2,142,967</u>
<b>Non-current assets</b>			
Property, plant and equipment	5	<u>1,739</u>	<u>43,264</u>
<b>Total non-current assets</b>		<u>1,739</u>	<u>43,264</u>
<b>Total assets</b>		<u>2,220,725</u>	<u>2,186,231</u>
<b>Current liabilities</b>			
Trade and Other payables	6	<u>150,314</u>	<u>185,083</u>
<b>Total current liabilities</b>		<u>150,314</u>	<u>185,083</u>
<b>Total liabilities</b>		<u>150,314</u>	<u>185,083</u>
<b>Net assets</b>		<u>2,070,411</u>	<u>2,001,149</u>
<b>Equity</b>			
Retained earnings		1,170,411	1,101,149
Reserves	8	<u>900,000</u>	<u>900,000</u>
<b>Total equity</b>		<u>2,070,411</u>	<u>2,001,149</u>

The accompanying notes form part of these financial statements.  
This report should be read in conjunction with the attached audit report.

# Petroleum Exploration Society of Australia Limited

ACN 009 061 278

## Statement of Cash Flows

For the Year Ended 31 December 2013

	Notes	2013 \$	2012 \$
<b>Cash flows from operating activities</b>			
Receipts from operations		1,234,430	1,149,813
Payments to suppliers and employees		(1,267,894)	(1,322,230)
Net cash used in operating activities	9	<u>(33,464)</u>	<u>(172,417)</u>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment		(24,412)	(41,050)
Interest received		56,229	78,057
Net cash generated by investing activities		<u>31,817</u>	<u>37,007</u>
<b>Cash flows from financing activities</b>			
Net cash generated by financing activities		<u>-</u>	<u>-</u>
<b>Net decrease in cash and cash equivalents</b>		<u>(1,647)</u>	<u>(135,410)</u>
Cash and cash equivalents at the beginning of the financial year		1,736,014	1,871,424
Cash and cash equivalents at the end of the financial year		<u>1,734,368</u>	<u>1,736,014</u>

The accompanying notes form part of these financial statements.  
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# Petroleum Exploration Society of Australia Limited

ACN 009 061 278

## Statement of Changes in Equity

For the Year Ended 31 December 2013

	Retained earnings \$	Reserves \$	Total \$
<b>Balance at 1 January 2012</b>	1,047,896	900,000	1,947,896
Total surplus for the year	53,254	-	53,254
<b>Balance at 31 December 2012</b>	1,101,149	900,000	2,001,149
Total surplus for the year	69,262	-	69,262
<b>Balance at 31 December 2013</b>	1,170,411	900,000	2,070,411

The accompanying notes form part of these financial statements.  
This report should be read in conjunction with the attached audit report.

# Petroleum Exploration Society of Australia Limited

ACN 009 061 278

## Notes to the Financial Statements

For the Year Ended 31 December 2013

### Note 1: summary of Significant Accounting Policies

#### Basis of Preparation

Petroleum Exploration Society of Australia Ltd has elected to early adopt the Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010–2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements. Accordingly, the entity has also early adopted AASB 2011–2: Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure Requirements and AASB 2012–7: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements in respect of AASB 2010–6: Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets and AASB 2011–9: Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. 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 accruals 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.

The financial statements were authorised for issue on 13 March 2014 by the directors of the company.

#### Accounting Policies

##### (a) Income Tax

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

##### (b) Basis of Measurement and Presentation

The financial report is presented in Australian dollars. The financial report has been prepared on the historical cost basis.

These notes should be read in conjunction with the attached audit report.

# Petroleum Exploration Society of Australia Limited

ACN 009 061 278

## Notes to the Financial Statements

For the Year Ended 31 December 2013

### (c) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

The estimate and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

The accounting policies set out below have been applied consistently for all periods presented in the financial report.

### (d) Revenue Recognition

#### *Membership Subscriptions*

Membership fees are recognised when received.

#### *Function Receipts*

When the functions have been conducted outstanding receipts are accrued.

#### *Advertising Revenue*

Invoices are raised on advertisement at time of dispatch of publications.

#### *Interest Income*

Interest income is recognised when it is accrued.

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

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

### (e) Trade and Other Receivables

Trade and other receivables are stated at their amortised cost less impairment losses.

### (f) 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.

### (g) Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

These notes should be read in conjunction with the attached audit report.

# Petroleum Exploration Society of Australia Limited

ACN 009 061 278

## Notes to the Financial Statements

For the Year Ended 31 December 2013

### (h) Impairment of Assets

At the end of each reporting period, the entity 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 costs 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 expensed to the statement of comprehensive income.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of a class of assets, the entity estimates the recoverable amount of the cash-generating unit to which the class of assets belong. Where an impairment loss on a revalued asset is identified, this is debited 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 same class of asset.

### (i) Property, Plant and Equipment

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

#### Plant and equipment

##### Tangible

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Plant and equipment that have been contributed at no cost, or for nominal cost, are valued and recognised at the fair value of the asset at the date it is acquired.

#### Depreciation

The depreciable amount of all plant and equipment are depreciated over the useful lives of the assets commencing from the time the asset is held ready for use. For plant and equipment acquired prior to July 2001, the assets are depreciated on a diminishing value method and a straight line method for assets acquired from 1 July 2001.

The depreciation rates used for each class of asset are as follows:

Plant and equipment 10 - 33%.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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

These notes should be read in conjunction with the attached audit report.



# Petroleum Exploration Society of Australia Limited

ACN 009 061 278

## Notes to the Financial Statements

For the Year Ended 31 December 2013

### Intangible

#### Cost of Development of PESA Website

The purchase cost of externally developed PESA website has been capitalised as intangible asset.

Intangible asset is measured at cost basis less accumulated amortisation.

#### Amortisation of Intangible Assets

The capitalised development cost of the website was amortised fully during the year after it was tested for impairment.

### (j) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

Contributions are made by the entity to an employee superannuation fund and are charged as expenses when incurred.

### (k) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

### (l) Financial Instruments

#### Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (ie trade date accounting is adopted). Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified "at fair value through profit or loss" in which case transaction costs are expensed to profit or loss immediately.

#### Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

These notes should be read in conjunction with the attached audit report.

# Petroleum Exploration Society of Australia Limited

ACN 009 061 278

## Notes to the Financial Statements

For the Year Ended 31 December 2013

*Amortised cost* is calculated as:

- 1) the amount at which the financial asset or financial liability is measured at initial recognition;
- 2) less principal repayments;
- 3) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and
- 4) less any reduction for impairment.

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

### *Financial assets at fair value through profit or loss*

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, or where they are derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period. (All other loans and receivables are classified as non-current assets.)

### *Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

### **(m) 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). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis, except for the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the ATO. The GST component of financing and investing activities which is recoverable from, or payable to, the ATO is classified as a part of operating cash flows. Accordingly, investing and financing cash flows are presented in the statement of cash flows net of the GST that is recoverable from, or payable to, the ATO.

These notes should be read in conjunction with the attached audit report.

# Petroleum Exploration Society of Australia Limited

ACN 009 061 278

## Notes to the Financial Statements

For the Year Ended 31 December 2013

### (n) Events after Balance Sheet Date

The Directors are aware that changes to the PESA News and the PESA Web Site (namely the assignment of new supplier contracts) are likely to affect revenue and expenses dramatically for the current year. No significant events occurred after 31 December 2012 and before the signing of the independent auditor's report that have not been appropriately disclosed in these financial statements.

### (o) Comparative Figures

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

When an entity applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period must be disclosed.

**Petroleum Exploration Society of Australia Limited**  
ACN 009 061 278

**Notes to the Financial Statements**  
For the Year Ended 31 December 2013

	2013	2012
	\$	\$
<b>2 Surplus/(deficit) for the year</b>		
<b>Function income</b>		
Share of surplus IGC 2012 Project	-	141,487
Share of surplus EABS Conference 2012	-	49,494
Meeting Fees	164,735	191,356
Course Fees	148,694	190,555
Social Functions Fees	46,801	80,012
Social Functions Sponsorship	35,110	60,207
Conferences & Symposiums Fees	30,773	5,564
<b>2 Significant expenses</b>		
Publication:		
PESA News	455,678	482,710
Education:		
Scholarships	64,360	53,617
Administration:		
Donations	30,000	42,388
Website development	64,697	-
Secretarial fees	87,446	36,090
Board and committee meetings	34,505	32,113
Insurance	15,786	21,739
<b>3 Cash and cash equivalents</b>		
Cash at bank	320,435	590,701
Term deposits	1,413,549	1,144,929
Cash on hand	384	384
	<u>1,734,368</u>	<u>1,736,014</u>
<b>4 Trade and Other receivables</b>		
Trade receivables	4a 74,494	89,965
Prepayments	5,964	5,697
Accrued income	264,607	190,981
Other receivables	139,554	120,310
	<u>484,618</u>	<u>406,953</u>
<b>4a Provision for Impairment of Receivables</b>		
Movement in the provision for impairment of receivables is as follows:		
Provision for impairment as at 31 December 2012	2,620	2,620
Charge for year	(2,620)	-
Provision for impairment as at 31 December 2013	<u>-</u>	<u>2,620</u>
<b>5 Property, plant and equipment</b>		
<b>Tangible</b>		
Plant and equipment	6,200	6,200
Less depreciation - plant and equipment	(4,461)	(3,221)
<b>Intangible</b>		
Cost of Development of PESA Website	64,697	40,285
Less Amortisation	(64,697)	-
	<u>1,739</u>	<u>43,264</u>

These notes should be read in conjunction with the attached audit report.

# Petroleum Exploration Society of Australia Limited

ACN 009 061 278

## Notes to the Financial Statements

For the Year Ended 31 December 2013

	2013	2012
	\$	\$
<b>6 Trade and Other payables</b>		
TESEP Donation payable	-	60,000
Trade and Other Creditors	130,835	117,162
Accrued Expenses	19,479	7,921
	<u>150,314</u>	<u>185,083</u>
<b>7 Contributed Equity</b>		
The Society is a company limited by guarantee and as such each member undertakes to contribute to the property of the Society, in the event of it being wound up, such amounts as may be required, but not exceeding an amount of fifty dollars (\$50.00) in total.		
<b>8 Reserves</b>		
Reserves	<u>900,000</u>	<u>900,000</u>
	900,000	900,000
Total Reserves made up of:		
Capital Reserve	100,000	100,000
Education Reserve	200,000	200,000
Symposium Reserve	500,000	500,000
Elwood Horstman Fund	100,000	100,000
Reserves at the end of the year	<u>900,000</u>	<u>900,000</u>
<b>Nature and Purpose of Reserves</b>		
<b>Capital Reserve</b>		
The amount standing to the credit of the Capital Reserve resulted from prior period allocations of retained surpluses for non-specific purposes.		
<b>Education Reserve</b>		
The amount standing to the credit of the Education Reserve resulted from prior period allocations of retained surpluses for the purposes of providing access of members to high quality Australian and International lecturers.		
<b>Symposium Reserve</b>		
The amount standing to the credit of the Symposium Reserve resulted from prior period allocations of retained surpluses for the purposes of providing access of members to high quality bi-annual symposiums.		
<b>Elwood Horstman Fund</b>		
The amount standing to the credit of the Elwood Horstman Fund resulted from prior period allocations of retained surpluses for the purposes of providing memorial scholarships to promising students.		
<b>9 Reconciliation to Cash Flows from Operations</b>		
Net surplus for the period	69,262	53,254
<b>Non-operating cash flows in net profit</b>		
Depreciation and amortisation	65,937	1,240
Interest received	(56,229)	(78,057)
<b>Change in Assets and Liabilities</b>		
(Increase)/decrease in Trade and Other Receivables	(77,665)	(203,297)
(Increase)/decrease in other assets	-	-
Increase/(decrease) in Trade and Other Payables	(34,768)	54,443
Net cash provided by operating activities	<u>(33,464)</u>	<u>(172,417)</u>

These notes should be read in conjunction with the attached audit report.

# Petroleum Exploration Society of Australia Limited

ACN 009 061 278

## Notes to the Financial Statements

For the Year Ended 31 December 2013

### 10 Financial Risk Management

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

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	Note		
Cash and cash equivalents	3	1,734,368	1,736,014
Trade and Other receivables	4	478,654	401,256
<b>Total financial assets</b>		<u>2,213,022</u>	<u>2,137,270</u>
<b>Financial liabilities</b>			
Financial liabilities:			
- Trade and Other Payables	6	150,314	185,083
<b>Total financial liabilities</b>		<u>150,314</u>	<u>185,083</u>

### 11 Related party information

#### a) Members of the Board of Directors

The members of the Board of Directors who served for the whole of the financial year, unless otherwise indicated, are given on page 6.

#### b) Remuneration of the Board of Directors

The directors do not receive any remuneration from Petroleum Exploration Society of Australia Limited in relation to the management of the affairs of the company.

#### c) Related party transactions

Brian Wickin is a member of PESA and also a Director of ReSolutions Operation Group which publishes the PESA News under contract.

R B Adams, a Director of the Company, is also a Director of Centre For Association Management who provide secretarial and accounting services to the Company.

There were no related party transactions during the year other than the ones mentioned above.

### 12 Auditor's Remuneration

In the course of the year ending 31 December 2013, the Auditor received the following remuneration (excluding GST):

	2013	2012
	\$	\$
Audit fees	8,500	8,500
Consultancy fees	-	-
Other fees	-	-
	<u>8,500</u>	<u>8,500</u>

These notes should be read in conjunction with the attached audit report.