



2017

# FINANCIAL REPORT

# Financial Statement

## 2016 – 2017

### STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017

	2017 A\$	2016 A\$	2015 A\$
Cash	1,850,813	1,617,542	1,529,733
Receivables	0	0	0
<b>Total current assets</b>	<b>1,850,813</b>	<b>1,617,542</b>	<b>1,529,733</b>
Plant and equipment	5,351	10,199	15,207
<b>Total non-current assets</b>	<b>5,351</b>	<b>10,199</b>	<b>15,207</b>
<b>Total assets</b>	<b>1,856,164</b>	<b>1,627,741</b>	<b>1,544,940</b>
Creditors and borrowings	0	0	0
Provisions (leave liabilities)	342,802	293,963	260,561
<b>Total current liabilities</b>	<b>342,802</b>	<b>293,963</b>	<b>260,561</b>
<b>Net assets</b>	<b>1,513,362</b>	<b>1,333,778</b>	<b>1,284,379</b>
<b>Shareholder's equity</b>			
Partner contributions	243,980	243,980	243,980
Retained profits/acc (losses)	1,269,382	1,089,798	1,040,399
<b>Total shareholder's equity</b>	<b>1,513,362</b>	<b>1,333,778</b>	<b>1,284,379</b>

The balance sheet should be read in conjunction with the accompanying notes.

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

	2017 A\$	2016 A\$	2015 A\$
<b>Income</b>			
Affiliate membership fees	59,975	55,000	65,000
Project administration	140,573	152,213	128,063
Project income – staff time	246,278	277,547	132,589
Project income – contracts and reimbursements	260,295	96,978	74,669
Event fees and sponsorships	1,014,946	842,649	1,320,357
Publications and training materials	55,221	64,591	88,922
Publications contracts and sponsorships	0	0	60,077
Interest	16,046	15,682	12,881
UWA student and research allocation	0	60,322	55,868
Industry funded special projects	-289	67,286	-9,344
<b>Total income</b>	<b>1,793,045</b>	<b>1,632,268</b>	<b>1,932,082</b>
<b>Expenses</b>			
Personnel	1,046,918	1,085,513	1,233,295
Personnel – relocation expenses	0	0	0
Provisions – personnel (increase/decrease)	48,839	33,402	-10,334
Office space incl. furniture and computers	0	0	1,734
Project and contract related expenses	69,925	68,076	115,422
Events, training and royalties	336,383	263,324	559,941
Travel, conferences and MV allowances	13,081	21,938	16,122
Operating overheads incl. printing and websites	55,258	75,738	25,846
Professional services	18,500	20,000	20,000
Depreciation	4,848	5,009	10,054
Loss on trade-in of vehicle	0	0	0
Specialist publications	0	0	43,852
Student related expenses incl. special projects	19,709	9,870	9,239
<b>Total expenses</b>	<b>1,613,461</b>	<b>1,582,870</b>	<b>2,025,171</b>
<b>Net profit (loss)</b>	<b>179,584</b>	<b>49,398</b>	<b>-93,089</b>
Opening retained earnings	-238,768	-288,166	-195,077
<b>Closing retained earnings</b>	<b>-59,184</b>	<b>-238,768</b>	<b>-288,166</b>

The income statement account should be read in conjunction with the accompanying notes.

# Financial Statement

## 2016 – 2017

### STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31 DECEMBER 2017

	2017 A\$	2016 A\$	2015 A\$
<b>Cash flow from operating activities</b>			
Receipts from customers	1,776,999	1,616,586	1,919,201
Payments to suppliers and employees	-1,559,774	-1,544,459	-2,025,451
Interest received	16,046	15,682	12,881
Net cash flows from/(used in) operating activities	233,271	87,809	-93,369
Acquisitions of plant and equipment	0	0	0
Net cash flows from/(used in) investing activities	0	0	0
<b>Cash flows from financing activities</b>			
Net increase/(decrease) in cash held	233,271	87,809	-93,369
Add: Opening cash brought forward	1,617,542	1,529,733	1,623,102
<b>Closing cash carried forward</b>	<b>1,850,813</b>	<b>1,617,542</b>	<b>1,529,733</b>

The statement of cash flows should be read in conjunction with the accompanying notes.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS AT 31 DECEMBER 2017

### 1 Summary of Significant Accounting Policies

The financial statements have been prepared in accordance with the historical cost convention. Cost in relation to assets represents the cash amount paid or the fair value of the asset given in exchange.

The financial statements have been made out in accordance with applicable accounting standards.

The accounting policies adopted are consistent with those of the previous year unless otherwise specified.

#### (a) Depreciation

Depreciation is provided on a straight line basis on all tangible fixed assets, other than freehold land, at rates calculated to allocate their cost or valuation less estimated residual value, against the revenue derived over their estimated useful lives.

As of 2007, in line with The University of Western Australia's policies, equipment purchases of less than \$5,000 in value are no longer recorded as an asset. The at cost plant and equipment value was amended accordingly in 2008.

#### (b) Income Tax

Tax effect accounting procedures are not applied as the Australian Centre for Geomechanics is a tax free research and education centre run on a not for profit basis.

#### (c) Income Recognition

Government grants are recorded as income when received.

Membership fees are recognised as income in line with the membership period covered in the subscription.

#### (d) Employee Entitlements

Provision is made for long service leave and annual leave estimated to be payable to employees on the basis of statutory and contractual requirements. Vested entitlements are classified as current and non-current liabilities.

The contributions made to superannuation funds by the entity are charged against profit.

# Financial Statement

## 2016 – 2017

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
AT 31 DECEMBER 2017 (continued)

	2017 A\$	2016 A\$	2015 A\$
<b>2 Operating Profit/(Loss)</b>			
a. The operating profit/(loss) before income tax is arrived at after charging/(crediting) the following items			
Depreciation – plant and equipment	5,351	10,199	10,054
Provision for employee entitlements	342,802	293,963	260,561
b. Included in the operating profit/(loss) are the following items of operating revenue			
Affiliate membership fees	59,975	55,000	65,000
Industry funding special projects and contracts	260,006	164,264	65,325
Project administration and staff time	386,851	429,760	260,652
Event fees and sponsorships	1,014,946	842,649	1,320,357
Publications and training materials	55,221	64,591	88,922
Interest – other persons/corporations	16,046	15,682	12,881
Publications contracts and sponsorships	0	0	60,077
UWA student and research allocation	0	60,322	58,868
Total revenue	1,793,045	1,632,268	1,932,082
<b>3 Receivables</b>			
Other debtors	0	0	0
Total receivables	0	0	0
<b>4 Plant and Equipment</b>			
At cost	136,223	136,223	136,223
Provision for depreciation	-130,872	-126,024	-121,016
Total plant and equipment	5,351	10,199	15,207

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
AT 31 DECEMBER 2017 (continued)

	2017 A\$	2016 A\$	2015 A\$
<b>5 Creditors and Borrowings (current)</b>			
Trade creditors and accruals	0	0	0
<b>6 Provisions (current)</b>			
Employee entitlements	342,802	293,963	260,561
<b>7 Partner Contributions</b>			
CSIRO opening/closing balance	60,320	60,320	60,320
WA School of Mines opening/closing balance	60,320	60,320	60,320
UWA Geomechanics opening/closing balance	60,520	60,520	60,520
UWA Geology	60,320	60,320	60,320
DMP* (previously DoIR) opening/closing balance	2,500	2,500	2,500
* contribution mainly provided in-kind			
Total partner contributions	243,980	243,980	243,980
<b>8 Statement of Cash Flows</b>			
Reconciliation of net profit/(loss) to the net cash flow from operations			
Net profit/(loss)	179,584	49,398	-93,089
Changes in assets and liabilities			
- Other debtors	0	0	0
- Trade creditors and accruals	0	0	0
- Employee entitlements provision	48,839	33,402	-10,334
Depreciation	4,848	5,009	10,054
Loss on trade-in of vehicles	0	0	0
Net cash flow from operating activities	233,271	87,809	-93,369

We gratefully acknowledge the support of Mr Alastair Saw – Senior Management Accountant, Faculty of Engineering, Computing and Mathematics, The University of Western Australia, who provided support in the preparation of the asset register.