



Petroleum Exploration Society of Australia Ltd
Notice of Annual General Meeting

27th May 2019

To be held on Monday 27th May 2019 from 5:00 to 6:00 pm at Arbour 1, Brisbane Convention and Exhibition Centre, South Bank Brisbane.

Dear PESA member

I have great pleasure in inviting all PESA members to the Annual General Meeting to be held on the Monday 27th May 2019.

Attached to the notice you will find:

- Agenda
- Minutes of previous Meeting
- Audited accounts
- Federal President's Report
- Proxy form
- PESA Nominations of Elected Member Positions
- 2019 Service Awards
- Amendments to PESA Rules

We look forward to catching up with as many people as possible at the meeting.

Toby Colson
For PESA Federal Executive

PETROLEUM EXPLORATION SOCIETY OF AUSTRALIA

2019 Annual General Meeting

Agenda

1. President's Welcome

Apologies & Attendance

2. Acceptance of the Minutes of the previous AGM

3. President's Report

4. Treasurer's Report

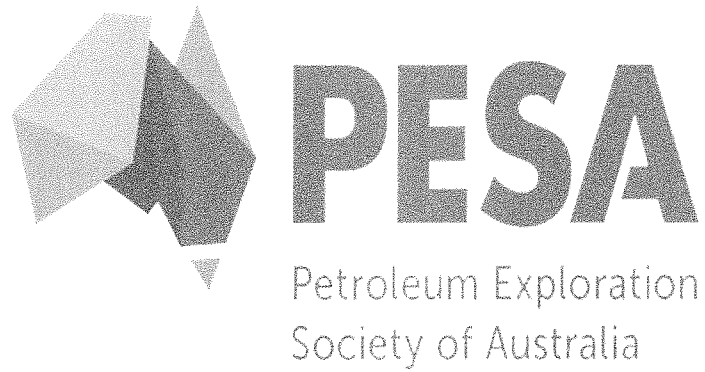
5. Acceptance of the Audited Financial Reports for 2018

6. Nominations for Elected Member Positions

7. Amendments to PESA Rules

8. 2019 Service Awards

Close :



Minutes of the Annual General Meeting
14 May 2018
City Room 1, Adelaide Convention Centre,
North Terrace, Adelaide, South Australia
5.00pm

1. Presidents Welcome

The Chair of PESA Tobias Colson, welcomed all the attendees to the 2018 PESA AGM and declared the meeting open at 5:00pm. President declared a quorum was present with 24 members physically present and acknowledged 4 proxies received.

a. **Apologies:** None

2. Minutes of the previous AGM

Minutes of the previous meeting were presented and any changes or comments were open to the AGM for comment. None received.

Moved to accept the minutes; Tobias Colson

Second; Helen Debenham

All in favour. Minutes of the 2017 Annual General Meeting were accepted.

3. President's Report

The President of PESA Tobias Colson, tabled his report and gave a brief overview. He specifically mentioned the decrease in membership due to the downturn in the industry and the need for all members to be involved in recruiting new members and encouraging those who have not renewed to do so. The report was open to the AGM for comment. None received.

Moved to accept the President's Report; Ishtar Barranco

Second; Steve Mackie

All in favour. President's Report was accepted

4. Financial Report

The Treasurer of PESA Cedric Griffiths, presented the audited financial report to the members and advised them of a financial loss for 2017, the bulk of which came from a loss in advertising revenue. The report was open to the AGM for comment.

A question was raised about the causes for loss of revenue for PESA News. The President replied that it was mainly due to the drop in advertising and membership due to the industry downturn.

Another question was asked regarding Function Expenses. The President showed that the Function Revenue was higher than the Function Expenses. The Function Expenses decreases in 2017 compared to 2016 and the Function Revenue increased. The President mentioned that there has been decline of sponsorship from some companies due to the downturn but that the WA branch had an increase on

sponsorship in 2017 due to the hard work of the committee. The President also mention that there have been other initiatives to maintain the relevance of PESA specially towards Young Professionals.

Another member asked if PESA will envisage in the future to take a more active role regarding occupational health and safety training. The President replied that there are companies specialised on those topics, that this is a very regulated field that is not in the realm of an organisation run by volunteers.

There was another question regarding the status of the 'Competent Persons' accreditation. The President replied that the Governance Committee is working on the framing, that there will be a meeting during the AGCC in October. Most likely yjr framework will be ready early 2019.

Moved to accept the Financial Report; Stuart Jones

Second; Tim O'Brien

All in favour. Financial Report was accepted.

5. PESA Code of Ethics, Privacy and Confidentiality Policy and 'Rules' of the society.

The Chair of PESA Tobias Colson, presented the code of Ethics, Privacy and confidentiality Policy and 'Rules' of the society.

Moved to accept the Code of Ethics, Privacy and Confidentiality Policy and 'Rules' of the society; Steve Mackie

Second; Peter Purcell

All in favour. Code of Ethics, Privacy and Confidentiality Policy and 'Rules' of the society was accepted.

6. Nominations of Office Bearers

The Chair of PESA Tobias Colson, declared all positions on the Federal Executive vacant at the 2018 AGM in the 14th May and presented the nominations for the 2018/2019 Federal Executive.

President – Tobias Colson

Vice-President – Nathan Parker

Secretary – Ishtar Barranco

Treasurer – Cedric Griffiths

No other nominations for positions received.

The Chair advised those in attendance that the Immediate Past-President as per Clause 37(3) of the PESA Rules is; Steve Mackie and the State Branch Representatives as per Clause 37(02) are:

NSW	Alex Bruce
Queensland	Rachel Kieft
ACT	Steve Abbott
Victoria	Tim O'Brien
South Australia	Stuart Jones
Western Australia	Helen Debenham

President advised those in attendance that the ACT chose to skip their rotation on Federal Executive (due to small membership and lack of a suitable candidate) and will move instead to Queensland (next on the rotation) in 2019.

Moved to accept the accept the nominations for Federal Executive; Bonnie Lowe-Young

Second; Steven Cooper

All in favour. The nominations for Federal Executive were accepted.

7. Awards

The Chair of the Awards Committee Bonnie Lowe-Young, presented the 2018 DSA and MSA Awards.

Distinguished Service Award:

SA/NT Branch – Dr. Steve Mackie

Meritorious Service Awards:

QLD Branch - Ms. Wendy Rhonda

SA/NT Branch - Ms. Sandy Menpes

WA Branch - Dr. Cedric Griffiths

SA/NT Branch - Dr. Simon Brealey

SA/NT Branch - Mr Alex Ross

8. Business on Notice

None received.

Meeting Closed: 5.45pm

**Petroleum Exploration Society of
Australia Limited**

**GENERAL PURPOSE FINANCIAL REPORT
REDUCE DISCLOSURE REQUIREMENTS**

ABN: 009 061 278

**GENERAL PURPOSR FINANCIAL REPORT
For the Year Ended 31 December 2018**

Petroleum Exploration Society of Australia Limited

ACN 009 061 278

Contents page

For the Year Ended 31 December 2018

	Page(s)
Auditors Independence Declaration	3
Independent Auditor's Report	4 - 6
Board of Directors' Report	7 - 9
Statement by the Board of Directors	10
Statement of Profit or Loss and Other Comprehensive Income	11
Statement of Financial Position	12
Statement of Cash Flows	13
Statement of Changes in Equity	14
Notes to the Financial Statements	15 - 24

AUSTRALIAN AUDIT

DIRECTORS:
ROBERT CAMPBELL CA, CPA, RCA, MSW
VIRAL PATEL CA, CPA, FCCA (UK), RCA
ALASTAIR ABBOTT CA, RCA, M.FORENSIC ACCOUNTING

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 year ended 31 December 2018, to the best of my knowledge and belief, there have been:

- a) No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) No contraventions of any applicable code of professional conduct in relation to the audit



Robert John Campbell, CA CPA

Registered Company Auditor number 334773

Director

Australian Audit

Perth, Western Australia

Dated:

23 April 2019

AUSTRALIAN AUDIT

DIRECTORS:
ROBERT CAMPBELL CA, CPA, RCA, MSW
VIRAL PATEL CA, CPA, FCCA (UK), RCA
ALASTAIR ABBOTT CA, RCA, MFORENSIC ACCOUNTING

INDEPENDENT AUDITOR'S REPORT

To the members of Petroleum Exploration Society of Australia Limited

Opinion

We have audited the financial report of Petroleum Exploration Society of Australia Limited (the Company), which comprises the statement of financial position as at 31 December 2018, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the directors' declaration.

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

- giving a true and fair view of the company's financial position as at 31 December 2018 and of its performance for the year then ended; and
- complying with Australian Accounting Standards – Reduced Disclosure Requirements 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 Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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



Responsibilities of the Directors for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Corporations Act 2001*.

The directors' responsibility also includes such internal control as the directors determine is 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.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company'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 directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 achieves fair presentation.

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.

Robert John Campbell, CA CPA

Registered Company Auditor number 334773

Director

Australian Audit

Perth, Western Australia

Dated: *24 April 2019*

Petroleum Exploration Society of Australia Limited

ACN 009 061 278

Board of Directors' Report

For the Year Ended 31 December 2018

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 2018 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 the financial year were:

T. Colson	President	Appointed 22 May 2015
N. Parker	Vice President	Appointed 2 August 2017
J. Gorter	Company Secretary	Resigned 9 March 2018
I. Barranco	Company Secretary	Appointed 9 March 2018
C. Griffiths	Treasurer	Appointed 14 May 2017
S. Mackie	Immediate Past President	Appointed 26 May 2013
S. Abbott		Appointed 5 June 2016
T. O'Brien		Appointed 22 May 2015
S. Jones		Appointed 14 May 2017
H. Debenham		Appointed 6 February 2017
R. Kieft		Appointed 26 April 2018
A. Bruce		Appointed 13 May 2018
C. Harwood		Resigned 26 April 2018
S. Keenan		Resigned 13 May 2018

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 \$15,821 (2017 (\$18,138)). 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 2018 was \$633,885 (2017 \$702,246). This represents a 9.73% decrease from the Society's operating revenue for the year ended 31 December 2017.

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 2018

Events Subsequent to Balance Date

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 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 Society's operations.

Auditors

Mr Robert Campbell, registered company auditor, of Australian Audit Pty Ltd was appointed as auditor in respect of the year ended 31 December 2018 and continues in office as auditor of the Society.

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

Director	Qualifications	Special Responsibilities
Tobias Colson	BAppSc (Hons), BSc (Hons), MSc, PhD	President
Nathan Parker	BSc (Hons) MBA	Vice President
I. Barranco	BSc, MSc	Secretary
Cedric Griffiths	BSc (Hons), PhD	Treasurer
Steven Mackie	BSc, MBA, PhD	Immediate Past President
Steve Abbot	BSc, MSc, PhD	ACT
Timothy O'Brien	BSc, MSc	Victoria/ Tasmania
Stuart Jones	BSc (Hons)	South Australia / Northern Territory
Helen Debenham	BA, MSc	Western Australia
R. Kieft	BSc (Hons), PhD	Queensland
A. Bruce	BSc (Hons), PhD	New South Wales

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.

Petroleum Exploration Society of Australia Limited

ACN 009 061 278

Board of Directors' Report For the Year Ended 31 December 2018

Board Meeting Attendance:

Director	Number of meetings	Attended
Steve Mackie	7	5
Toby Colson	7	7
John Gorter	1	1
Cedric Griffiths	7	5
Chris Harwood	2	2
Scott Keenan	2	1
Steve Abbott	7	4
Tim O'Brien	7	4
Stuart Jones	7	5
Helen Debenham	7	6
Nathan Parker	7	6
I. Barranco	6	6
R. Kieft	5	4
A. Bruce	5	5

Indemnification and Insurance of Officers

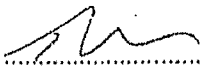
During the financial year the Society has paid premiums in respect of Directors' and Officers' liability for the year ended 31 December 2018 and since the financial year, the Society intends to pay premiums in respect of such insurance contracts for the year ended 31 December 2019. Such insurance contracts 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 2018.

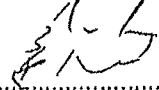
Signed in accordance with a resolution of the Directors.



.....

Director T. Colson

DATE: 23 APR 19



.....

Director Ishtar Barranco

DATE: 23/Apr/2019

Petroleum Exploration Society of Australia Limited

ACN 009 061 278


Statement by the Board of Directors

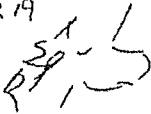
For the Year Ended 31 December 2018

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 2018, and its performance for the year ended on that date, in accordance with the Corporations Act 2001 and comply with Australian Accounting Standards – Reduced Disclosure Requirements.
- 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: T. COLSON
Position: PRESIDENT
Date: 23 APR 19


Name: Ishtar Barranco
Position: Secretary
Date: 23/APR/2019

Petroleum Exploration Society of Australia Limited

ACN 009 061 278

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2018

	Notes	2018	2017
		\$	\$
Membership Subscriptions		118,699	130,149
Function revenue	2	430,481	491,851
Publications revenue		53,983	63,056
Other income		6,703	6,001
Interest		<u>24,019</u>	<u>11,189</u>
Total revenue from operating activities		633,885	702,246
Depreciation and amortisation		(550)	(545)
Function expenses		(286,812)	(348,084)
Publication expenses		(120,871)	(165,718)
Finance costs		(7,602)	(10,103)
Website, membership and booking		(52,440)	(46,973)
Education	2	(43,107)	(39,795)
Other administration costs	2	(96,942)	(100,667)
Central Australian Basins Symposium Fund expenses		(1,240)	-
Total expenses from operating activities		(609,565)	(711,884)
Surplus (deficit) from operating activities		<u>24,321</u>	<u>(9,638)</u>
Donation to Australian Science Teachers Association for TESEP Sponsorship		(8,500)	(8,500)
Surplus (deficit) for the year		<u>15,821</u>	<u>(18,138)</u>
Other comprehensive income		-	-
Total comprehensive income(deficit) for the year		<u>15,821</u>	<u>(18,138)</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 Financial Position

As At 31 December 2018

	Notes	2018 \$	2017 \$
Current assets			
Cash and cash equivalents	3	1,197,310	1,157,574
Trade and Other receivables	4	<u>40,652</u>	<u>59,816</u>
Total current assets		<u>1,237,962</u>	<u>1,217,390</u>
Non-current assets			
Property, plant and equipment	5	<u>-</u>	<u>550</u>
Total non-current assets		<u>-</u>	<u>550</u>
Total assets		<u>1,237,962</u>	<u>1,217,940</u>
Current liabilities			
Trade and Other payables	6	<u>43,002</u>	<u>38,801</u>
Total current liabilities		<u>43,002</u>	<u>38,801</u>
Total liabilities		<u>43,002</u>	<u>38,801</u>
Net assets		<u>1,194,960</u>	<u>1,179,139</u>
Equity			
Retained earnings		641,685	624,624
Reserves	8	<u>553,275</u>	<u>554,515</u>
Total equity		<u>1,194,960</u>	<u>1,179,139</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 2018

	Notes	2018 \$	2017 \$
Cash flows from operating activities			
Receipts from operations		612,872	697,119
Payments to suppliers and employees		<u>(606,852)</u>	<u>(711,172)</u>
Net cash generated by (used in) operating activities	9	<u>6,020</u>	<u>(14,053)</u>
Cash flows from investing activities			
Interest received		<u>33,716</u>	<u>1,468</u>
Net cash generated by investing activities		<u>33,716</u>	<u>1,468</u>
Cash flows from financing activities			
Net cash generated by financing activities		<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents		<u>39,736</u>	<u>(12,585)</u>
Cash and cash equivalents at the beginning of the financial year		<u>1,157,574</u>	<u>1,170,159</u>
Cash and cash equivalents at the end of the financial year		<u>1,197,310</u>	<u>1,157,574</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 Changes in Equity

For the Year Ended 31 December 2018

	Retained earnings \$	Reserves \$	Total \$
Balance at 1 January 2016	<u>297,279</u>	<u>900,000</u>	<u>1,197,279</u>
Total comprehensive income for the year	(18,138)	-	(18,138)
Transfer from reserves	400,000	(400,000)	-
Transfer to reserves	(54,515)	54,515	-
Balance at 31 December 2016	<u>624,624</u>	<u>554,515</u>	<u>1,179,139</u>
Total comprehensive income for the year	15,821	-	15,821
Transfer from reserves	1,240	(1,240)	-
Balance at 31 December 2017	<u>641,684</u>	<u>553,275</u>	<u>1,194,959</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

Notes to the Financial Statements

For the Year Ended 31 December 2018

Note 1: Summary of Significant Accounting Policies

The financial statements are for Petroleum Exploration Society of Australia Limited as an individual entity, incorporated and domiciled in Australia. Petroleum Exploration Society of Australia Ltd is a company limited by guarantee.

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the requirements of the Corporations Act 2001, 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 April 2019 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.

Petroleum Exploration Society of Australia Limited

ACN 009 061 278

Notes to the Financial Statements

For the Year Ended 31 December 2018

(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 Revenue

When the functions have been conducted outstanding receipts are accrued.

Publications Revenue

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

Interest Income

Interest income is recognised as it accrues.

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.

Petroleum Exploration Society of Australia Limited

ACN 009 061 278

Notes to the Financial Statements

For the Year Ended 31 December 2018

(g) 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.

(h) 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 assets

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. Plant and equipment are depreciated on a straight line method.

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

Plant and equipment 10 - 33%.

Petroleum Exploration Society of Australia Limited

ACN 009 061 278

Notes to the Financial Statements

For the Year Ended 31 December 2018

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.

Intangible asset

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 PESA website is amortised over three years.

(i) 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.

(j) Financial Instruments

Classification and measurement

Receivables

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.

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.)

Petroleum Exploration Society of Australia Limited

ACN 009 061 278

Notes to the Financial Statements

For the Year Ended 31 December 2018

Financial liabilities

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

(k) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). 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.

(l) Events after Reporting Date

The directors are not aware of any significant events since the end of the reporting period. No significant events occurred after 31 December 2018 and before the signing of the independent auditor's report that have not been appropriately disclosed in these financial statements.

(m) 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 2018

	2018	2017
	\$	\$
2 Significant revenue		
Function income		
Share of surplus - ASEG-PESA Conference 2018	68,053	-
Central Australian Basin Fund	-	54,515
Meeting Fees	133,441	125,434
Course Fees and sponsorship	50,123	193,626
Social Functions Sponsorship	35,412	26,780
Social Functions Fees	29,129	34,198
Conferences and Symposiums Fees	85,886	44,465
Meeting Sponsorship	22,180	4,923
Education and Student Support	6,257	7,909
	<u>430,481</u>	<u>491,851</u>
2 Significant expenses		
Education:		
Scholarships	43,107	39,795
Administration:		
Audit fees	8,000	8,000
Board and committee meetings	6,106	7,238
Donations	16,500	14,000
Insurance	11,279	12,569
Secretarial fees	42,787	41,540
3 Cash and cash equivalents		
Cash at bank	101,008	62,386
Term deposits	1,095,761	1,094,620
Cash on hand	541	568
	<u>1,197,310</u>	<u>1,157,574</u>
4 Trade and Other receivables		
Trade receivables	446	3,451
Prepayments	4,989	10,329
Interest receivable	9,304	9,721
Other receivables	25,913	36,315
	<u>40,652</u>	<u>59,816</u>
4a Provision for Impairment of Receivables		
No provision for impairment was necessary because all receivables were deemed to be collectible.		

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 2018

	2018	2017
	\$	\$
5 Property, plant and equipment		
Tangible		
Plant and equipment	7,835	7,835
Less depreciation - plant and equipment	(7,835)	(7,285)
Intangible		
Cost of Development of PESA Website	162,184	162,184
Less Amortisation	<u>(162,184)</u>	<u>(162,184)</u>
	<u>-</u>	<u>550</u>
6 Trade and Other payables		
Trade and Other Creditors	28,228	21,284
Accrued Expenses	8,000	8,000
Credit Cards	<u>6,774</u>	<u>9,517</u>
	<u>43,002</u>	<u>38,801</u>
7 Contributed Equity		
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.		
8 Reserves		
Reserves	<u>553,275</u>	<u>554,515</u>
	<u>553,275</u>	<u>554,515</u>
Total Reserves made up of:		
General Fund	500,000	500,000
Central Australian Basins Symposium Fund	<u>53,275</u>	<u>54,515</u>
Reserves at the end of the year	<u>553,275</u>	<u>554,515</u>

Nature and Purpose of Reserves

General Reserve

General reserve was created to set aside funds for the purposes of management and provision of working capital.

Central Australian Basins Symposium Fund

Central Australian Basins Symposium Fund represents funds received during 2017 and reserved to be used for the promotion and education expenditure with regard to Central Australian Basins Symposium.

Petroleum Exploration Society of Australia Limited

ACN 009 061 278

Notes to the Financial Statements

For the Year Ended 31 December 2018

	2018	2017
	\$	\$
9 Reconciliation to Cash Flows from Operations		
Net surplus (deficit) for the period	15,821	(18,138)
Non-operating cash flows in net profit		
Depreciation and amortisation	550	545
Interest received	(24,019)	(11,189)
Change in Assets and Liabilities		
(Increase)/decrease in Trade and Other Receivables	6,881	5,764
Increase/(decrease) in Trade and Other Payables	6,787	8,965
Net cash provided by operating activities	<u>6,020</u>	<u>(14,053)</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 2018

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:

		2018	2017
	Note	\$	\$
Financial assets			
Cash and cash equivalents	3	1,197,310	1,157,574
Trade and other receivables	4	35,663	49,487
Total financial assets		<u>1,232,973</u>	<u>1,207,061</u>
Financial liabilities			
Financial liabilities:			
- Trade and other Payables	6	43,002	38,801
Total financial liabilities		<u>43,002</u>	<u>38,801</u>

11 Fair Value Measurements

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying amounts as presented in the statement of financial position. Fair value is the amount at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

	2018	2017
	\$	\$
	Fair value	Fair value
Financial assets		
Cash and cash equivalents	1,197,310	1,157,574
Trade and other receivables	35,663	49,487
	<u>1,232,973</u>	<u>1,207,061</u>
Financial liabilities		
Financial liabilities:		
- Trade and other Payables	43,002	38,801
	<u>43,002</u>	<u>38,801</u>

12 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 7.

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.

Petroleum Exploration Society of Australia Limited

ACN 009 061 278

Notes to the Financial Statements

For the Year Ended 31 December 2018

c) Related party transactions

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

13 Auditor's Remuneration

In the course of the year ending 31 December 2018, the Auditor received the following remuneration (excluding GST):

	2018	2017
	\$	\$
Audit fees	<u>8,000</u>	<u>8,000</u>
	<u>8,000</u>	<u>8,000</u>

14 Segment information

Petroleum Exploration Society of Australia Limited operates predominantly in one business and geographic segment .

15 Petroleum Exploration Society of Australia Limited details

The principal place of business of Petroleum Exploration Society of Australia Limited is:

36 Brisbane Street, Perth, WA 6000

PESA FEDERAL PRESIDENT REPORT

Year ended 31st December 2018

The year in brief

2018 represented a solid year of stabilisation for the industry and PESA alike. PESA has strived hard to achieve its goals during this period and made great inroads towards our 'sustainable future'. Around 180 individual events were again carried out through the year including, education support, mentoring activities introduced, Young Professional events introduced, field trips, short courses, the inaugural AEGC conference was held in Sydney and the Fellow Membership and Graduate membership levels were established. We also saw the continuation of a financial hardship discount and a focus on more discounted evening technical sessions around the country.

Once again the budget spoke volumes to the hard work all the branches have made. With a stronger focus budget discipline and a renegotiation on some high cost budget items, the society budget was back in the black for the first time in over 5 years. This in part has resulted not just from stronger budget control, but effort to enhance the governance oversight and process for all high cost items. We have been deliberate in this focus which is already paying dividends. With sustainable finances and the proper governance framework we are in a position to look to the future and grow PESA. This has been difficult, but we can now ask the question 'how to thrive' rather than 'how to survive'.

Helen Debenham, Tim O'brien, Stuart Jones, Steve Abbott, Alex Bruce and Rachel Kieft, from WA, Vic/Tas, SA/NT, ACT, NSW and Qld will continue on with the great work they are doing running their respective branches.

The website and publications committee has been engaged in a website and database review over the past 12 months and will be making recommendations on how to enhance the security and performance of the society's digital management. The current website has several restrictions including membership renewal architecture that is substandard and an inadequate search engine on the library and will need improvement.

The year ahead

The next term will see the implementation of recommendations from the website review, and a continuation of the maturation of ASIC compliance requirements for professional memberships. The board has moved to separate the role of President and Chairperson to enable a clear focus on operational vs governance oversight. This will also enhance our strength in ensuring we have a strategic focus on growth into the future. WABSV will be run with the AEGC conference in Perth in the second half of 2019. Last year the board noted some of the challenges associated with the new format for these conferences and the need to assess whether the integrity of the Basins symposiums can be sustained after WABS in 2019. This review will also be carried out. The education goals will be maintained with the

federal and branch scholarships, together with support for ESWA and TESEP. The board will continue focus on enhancing membership as a key focal point for the committees. Benefits of membership including APPEA conference discounts, representation on the AGC council, scholarships, and of course subsidised technical lunches, courses, conferences and networking events which remain the cornerstone of these benefits. The Young Professional and Mentoring events have added to these benefits.

Membership summary

	31 Dec 2018	31 Dec 2017	31 Dec 2016
Active	877	1,006	1,149
Associate	41	45	63
Student	239	165	251
Overseas	48	49	57
Fellow	3	#N/A	#N/A
Distinguished	14	14	17
Retired	81	89	67
Graduate	29	#N/A	#N/A
TOTAL	1,325	1,368	1,604

The decline rate in total membership since the downturn has been arrested, with an absolute reduction of ~3% decline over the past 12 months. An increase in student numbers despite a reduction in the number of students in petroleum geoscience related studies is testament to the Mentoring and YP programs introduced. Growth becomes a key focus for the organisation moving forward, particularly in an industry that has seen massive reductions in the number of working professionals over the past three years.

Financial summary.

Cash and cash equivalents on hand as of 31 December 2018 was \$1,194,959. Low interest rates continued to impact term deposit income. However, we generated a surplus for the year of \$15,821 compared to a loss of \$18,138 in 2017, a loss of \$193,634 in 2016 and a loss of \$376,095 in 2015. Overall operating revenue was down 9.7% mainly due to a combination of cost reductions through renegotiated contracts and improved budget control on events. Full audited financial reports are attached.

Thus, once again I must wrap the years summary with a great big thankyou to all the volunteers that run PESA and make it what it is. Their countless hours and hard work continue to benefit all and this element of the organisation remains its greatest strength. It has been a privilege for me to have chaired PESA through a difficult time, and I am confident that a suite measures to restructure and refocus governance of the society has put the organisation in a solid position to grow and evolve into what it needs to be to celebrate its 100th anniversary.

This sees the completion of my term as President and as I pass the baton and the Fedex moves to Queensland, I know the incumbents will do a great job in the task ahead. Thankyou to all those on the board and to my fellow federal executives who also pass on their role; Cedric Griffiths, Ishtar Barranco and Nathan Parker (President Elect).

Toby Colson
Federal President 2019



PROXY FORM FOR PESA AGM 2019

ANNUAL GENERAL MEETING, 27th May 2019

I, * of being a financial Member of Petroleum Exploration Society of Australia Limited and entitled to vote hereby appoint :

.....or in his or her absence the Chairman of the Meeting as my proxy to vote for me on my behalf at the Annual General Meeting to be held at 5.00 pm on 27th May 2019 and at each and every adjournment of that meeting.

This form is to be used to vote on the resolutions below:

Please insert X in the appropriate box

- Ordinary Business
- Accept minutes previous meeting
- Accept President's Report
- To adopt the Financial Statements
- Nominations for Elected Member Positions
- Amendments to PESA Rules

FOR	AGAINST

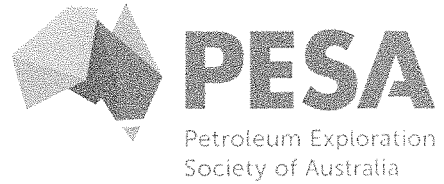
Dated this day of, 2019

(Signature)

* Print full name in BLOCK LETTERS

The Secretary
PO Box 8463
Perth Business Centre 6849 or
Fax- 08 9427 0813
Email- pesa@casm.com.au

To be effective this proxy form and the power of attorney or other form of authority (if any) under which it is signed or executed or a notarial certified copy of that power of authority, must be deposited with the Secretary at the above address not less than 48 hours before the time appointed for the holding of the meeting.



PESA Nomination of Elected Member positions. **AGM 27th May 2019**

The Chairman of PESA Toby Colson declares all positions vacant at the 2019 AGM on the 27th May..

The below financial members have accepted nominations and therefore stand for the nominated positions for the 2019/2020 Federal Executive.

Those positions and nominated members as per Clause 37(1) of the PESA Rules are;

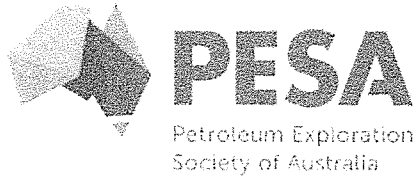
President – Nathan Parker
Vice President –TBC
Secretary –Sarah Harris
Treasurer – Chris Harwood

Immediate Past President as per Clause 37(3) of the PESA Rule is;

Toby Colson

State Branch Representatives as per Clause 37(2) and Clause 47 of the PESA Rules are;

Queensland	Rachel Kieft
New South Wales	Alex Bruce
Australian Capital Territory	Steve Abbott
Victoria	Tim O'brien
South Australia	Stuart Jones
Western Australia	Helen Debenham



Nominations for Meritorious Service Awards

1. Paul Bouloudas - WA Branch

This is an amendment for Rule 45 from:

45 The Federal Executive shall comprise up to 13 members, namely:-

(1) the office-bearers for the time being of the Society which shall be:

(a) a President;

(b) a Vice-President;

(c) either

(i) a Secretary/Treasurer; or

(ii) a Secretary and a Treasurer.

who shall be elected pursuant to Rule 46 (hereinafter referred to as "Office-Bearers");

(2) a representative of each State Branch who shall be appointed pursuant to Rule 55 (hereinafter referred to as "Appointed Members"); and

(3) the Immediate Past President unless he is already a member of the Federal Executive pursuant to paragraphs (1) or (2) hereof.

For the purposes hereof, service in such offices of the Association shall be treated as service in those offices of the Society.

To

45 The Federal Executive shall comprise up to 13 members, namely:-

(1) the office-bearers for the time being of the Society which shall be:

(a) a President;

(b) a Vice-President;

(c) either

(i) a Secretary/Treasurer; or

(ii) a Secretary and a Treasurer.

who shall be elected pursuant to Rule 46 (hereinafter referred to as "Office-Bearers");

(2) a representative of each State Branch who shall be appointed pursuant to Rule 55 (hereinafter referred to as "Appointed Members");

(3) a chairperson who shall be appointed pursuant to Rule 46; and

(4) the Immediate Past President unless he is already a member of the Federal Executive pursuant to paragraphs (1) or (2) hereof.

For the purposes hereof, service in such offices of the Association shall be treated as service in those offices of the Society.

AND

Amendment of Rule 46(1) from

(1) At each Annual General Meeting, Office Bearers (being either Active Members or Distinguished (or Life) Members resident in Australia) shall be elected to office in the Federal Executive for a term of one year and shall then retire. A retiring member of the Federal Executive shall be eligible for re-election provided that a member shall not hold the office of President for more than two consecutive years but shall be eligible for re-election to that office after the expiry of at least two years from the date on which he ceased to hold office on the last previous occasion.

To

(1) At each Annual General Meeting, Office Bearers (being either Active Members, Fellow, Graduate or Distinguished (or Life) Members resident in Australia) shall be elected to office in the Federal Executive for a term of one year and shall then retire. A retiring member of the Federal Executive shall be eligible for re-election provided that a member shall not hold the office of President for more than two consecutive years but shall be eligible for re-election to that office after the expiry of at least two years from the date on which he ceased to hold office on the last previous occasion.

AND

Amendment of Rule 46(9) from

(9) The Society may by ordinary resolution remove any Federal Executive member before the expiration of his period of office and may by an ordinary resolution appoint another person in his stead provided that in the case of Appointed Members appointed pursuant to Rule 55 hereof such other person is affiliated with the same State Branch as the member replaced. The person so appointed shall hold office for the remainder of the term of the person he replaces.

To

(9) At its first meeting after the annual general meeting the board shall appoint a member (Active, Distinguished or Fellow) as its chairperson for a term of one year. The Society may by ordinary resolution remove any Federal Executive member before the expiration of his period of office and may by an ordinary resolution appoint another person in his stead. In the case of Appointed Members appointed pursuant to Rule 55 hereof such other person is affiliated with the same State Branch as the member replaced. The person so appointed shall hold office for the remainder of the term of the person he replaces.