

# Financial Information

Year Ended 30 June 2016

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# Directors' Report

Year Ended 30 June 2016

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**AMIRA International Limited and its Controlled Entities**  
**Year Ended 30 June 2016**

The directors present their report on the consolidated entity (AMIRA Group) consisting of AMIRA International Limited and the entities that it controlled during and at the end of the year ended 30 June 2016.

**Principal activity**

AMIRA's principal activity during the year was to provide solutions to members' challenges through the development, brokerage and oversight of collaboratively funded research and development projects.

**Results of operations**

AMIRA's surplus for the year was \$175,071 (2015: surplus \$355,848).

**Review of operations**

In the year ended 30 June 2016, revenue decreased by \$334,613 from previous year's \$3,187,978 to current year's \$2,853,365.

During the same period, costs decreased by \$169,229 from previous year's \$2,847,523 to current year's \$2,678,294. Most notably, salaries and employee benefits decreased by \$32,572 due to a reduction in staff numbers and travel and consultant costs decreased by \$89,738 due to a reduction of office overheads.

**Significant changes in the state of affairs**

There have been no significant changes in the state of affairs of AMIRA during the fiscal year ended 30 June 2016.

**Events arising since the end of the reporting period**

There are no other matters or circumstances that have arisen since the end of the year that have significantly affected or may significantly affect either:

- the group's operations in future financial years;
- the results of those operations in future financial years; or
- the group's state of affairs in future financial years.

**Likely developments in future years**

The Directors are reviewing the strategy of the business to ensure AMIRA offers efficient and cost effective solutions to meet its members' on-going requirements for collaborative research during both the current economic downturn and for the long term future.

It is the intention of Directors that AMIRA reduces its operating costs as much as possible without affecting the ability to deliver the services to members and that the business continues as a going concern.

**AMIRA International Limited and its Controlled Entities**  
**Year Ended 30 June 2016**

**Details of directors**

Changes to the directors of AMIRA International Limited during the financial year and up to the date of this report were:

- G Yeates resigned on 30 June 2016
- Dr C Wijins appointed 26 November 2015
- Dr A Harris appointed 26 November 2015
- S Grocott appointed 21 April 2016

Information about the directors is provided as follows and forms part of this report:

- Names of directors and details of their qualifications, experience and special responsibilities are provided on pages 4-6; and
- Number of board and committee meetings and attendance by directors at these meetings is provided on page 7.

**Company secretary**

The qualifications and experience of AMIRA's company secretary are provided on page 5 and forms part of this report.

**Directors' and officers' indemnity and insurance**

AMIRA maintains a directors' and officers' insurance policy to cover losses for which the director or officer is not otherwise indemnified by AMIRA. The insurance policy does not extend to situations where liability arises out of:

- The improper use of position or information to gain any profit or advantage or cause detriment to the company;
- Conduct involving a wilful breach of duty in relation to any company; and
- Any criminal, dishonest or fraudulent acts or omissions.

**Auditor independence and non-audit services**

The directors have received a declaration of auditor independence from the auditor of AMIRA International Limited and this is given on page 8.

This report is made in accordance with a resolution of the directors.



Aubrey Paverd, Chairman

Place: Melbourne

Date: 20 October 2016

**AMIRA International Limited and its Controlled Entities**  
**Year Ended 30 June 2016**

**Directors' Information**

*The Directors at the date of this report are:*

<b>Name</b>	<b>Initial Appointment</b>
A Paverd	25 November 2009
J Pease	September 2003
W Valery	22 September 2004
I Sandl	16 November 2011
J Cucuzza	14 November 2012
J Russell	14 November 2012
L Mello	4 December 2013
J Ndlovu	18 November 2014
Peter Kanck	18 November 2014
R Butcher	18 November 2014
C Moorhead	18 November 2014
A Harris	25 November 2015
C Wijjins	25 November 2015
S Grocott	21 April 2016

A brief biography for each of the current Directors is as follows:

**Dr Aubrey Paverd, BSc (Hons), M.Sc., PhD**

**Compania De Minas Buenaventura**

Dr Paverd joined AMIRA International Limited as a non-executive Director in November 2009. Dr Paverd was appointed Chairman in November 2013. He is a member of the Executive Committee and Finance & Audit Committee.

**Joe Pease, BEng (Met Hons), BEc, MAusIMM, MCIM**

**Independent (Non Member)**

Mr Pease joined AMIRA International Limited as a non-executive Director in September 2003. He is a member of the Executive Committee.

**Dr Walter Valery, BEng, M.Eng.Sc, PhD, FAusIMM**

**Global Director Consulting and Technology, Hatch**

Dr Valery joined AMIRA International Limited as a non-executive Director in September 2004.

**Ian Sandl, BSc Geology / Geophysics**

**General Manager, Exploration Asia Pacific, Teck Resources Ltd**

Mr Sandl joined AMIRA International Limited as a non-executive Director in November 2011.

**AMIRA International Limited and its Controlled Entities**  
**Year Ended 30 June 2016**

**Giuseppe (Joe) Cucuzza, BSc (Hons) Geophysics, MSc Geology, MEI (Swin)**  
**Managing Director, AMIRA International Limited**

Mr Cucuzza joined AMIRA International Limited as an Executive Director in November 2012. He is a member of the Executive Committee.

**Dr John Russell, B. Eng. (Mech), Doctor of Engineering (honoris causa)**  
**Managing Director & General Manager, Russell Mineral Equipment**

Dr Russell joined AMIRA International Limited as a non-executive Director in November 2012.

**Dr Luiz Mello, MD, PhD**  
**Executive Manager of Technology and Innovation, Vale**

Dr Mello joined AMIRA International Limited as a non-executive Director in December 2013.

**Peter Kanck, M.B.A.**

**Senior Manager - Technology Development and Integration, Boart Longyear Limited**

Mr Kanck joined AMIRA International Limited as a non-executive Director in November 2014.

**Richard Butcher, MSc Engineering, Mining Engineering, SAIMM & CIM, MIMMM, AusIMM**  
**Executive Vice President-Technical, Gold Fields Ltd**

Mr Butcher joined AMIRA International Limited as a non-executive Director in November 2014.

**Colin Moorhead, BSc (Hon) Geology, FAusIMM, MAICD**  
**Independent (Non Member)**

Mr Moorhead joined AMIRA International Limited as a non-executive Director in November 2014.

**July Ndlovu, BSc Metallurgical Eng, MBL**  
**CEO of Coal Business, Anglo American Coal South Africa**

Mr Ndlovu joined AMIRA International Limited as a non-executive Director in November 2014.

**Dr Anthony Harris, BSc (Hon) Earth Science, PhD Earth Science**  
**Principal Geologist, Newcrest Mining Limited**

Dr Harris joined AMIRA International Limited as a non-executive Director in November 2015.

**Dr Chris Wijns, BSc Geophysics, MSc Geophysics, PhD Geodynamics**  
**Group Geophysicist, First Quantum Minerals Limited**

Dr Wijns joined AMIRA International Limited as a non-executive Director in November 2015.

**Dr Stephen Grocott, PhD Physical & Inorganic Chemistry**  
**Chief Advisor – Process Development at Rio Tinto**

Dr Grocott joined AMIRA International Limited as a non-executive Director in April 2016.

***Qualifications and experience of the company secretary***

J Cucuzza is acting Company Secretary

**BSc (Hons) Geophysics, MSc Geology, MEI (Swin)**

Mr Cucuzza joined AMIRA in 1988 and took on the role of Acting Company Secretary when the previous incumbent left the company in October 2015.

**AMIRA International Limited and its Controlled Entities**  
**Year Ended 30 June 2016**

**Former Company Secretary**

**Daniel Vertes, BCom, BEco, CPA**

**Financial Controller, AMIRA International Limited**

Mr Vertes joined AMIRA on 22 June 2010 and was appointed to the role of Company Secretary in July 2010. Daniel left AMIRA in October 2015, however Daniel is consulting to AMIRA in financial matters and reviewing board paper.

**Brief details of former directors are as follows:**

**Former directors**

**Neville Plint, PhD MBA**

**Senior Manager - Technology and Innovation, Anglo American**

Dr Plint joined AMIRA International Limited as a non-executive Director in November 2009. He was a member of the Executive Committee and Finance & Audit Committee. Mr Plint resigned on 18 November 2014.

**S Rick Gilbert, BSc**

**Vice President Technology & Product Development,  
Freeport McMoRan Mining Company**

Mr Gilbert joined AMIRA International Limited as a non-executive Director in April 2008. He was a member of the Executive Committee. Mr Gilbert resigned on 20 November 2014.

**Gustavo Gomes, MBA Finance Sloan MIT USA, BSc Geology UERJ**

**General Manager Technical Services, MMG**

Mr Gomes joined AMIRA International Limited as a non-executive Director in November 2012. Mr Gomes resigned on 25 October 2014.

**Alan Muir, BSc Metallurgy**

**Vice President Metallurgy, AngloGold Ashanti**

Mr Muir joined AMIRA International Limited as a non-executive Director in November 2012. Mr Muir resigned on 27 January 2015.

**Paul Blewett, LLB**

**Asia Pacific Regional General Counsel and Company Secretary, Boart Longyear Limited**

Mr Blewett joined AMIRA International Limited as a non-executive Director in December 2013. Mr Blewett resigned on 18 November 2015.

**Johan Meyer, BEng (Metallurgy), MBA**

**General Manager Technology, Exxaro Resources Ltd**

Mr Meyer joined AMIRA International Limited as a non-executive Director in December 2013. Mr Meyer resigned on 9 February 2015.

**Gavin Yeates, BSc (Hon)**

**Independent (Non Member)**

Mr Yeates joined AMIRA International Limited as a non-executive Director in May 2014. Mr Yeates was appointed Vice-Chairman in November 2014. Mr Yeates resigned on 30 June 2016.

**AMIRA International Limited and its Controlled Entities**  
**Year Ended 30 June 2016**

**Directors' Meetings**

During the year ended 30 June 2016, each director attended the following board and committee meetings while a director:

2015 / 2016 Meetings Attended						
Directors	Board		Executive Committee		Finance & Audit Committee	
	Meetings	Attended	Meetings	Attended	Meetings	Attended
A Paverd (Chair)	4	4	1	1	3	3
J Pease	3	2	1	1	1	1
W Valery	4	3				
I Sandl	4	3				
J Russell	4	2				
J Cucuzza	4	4	1	1	3	3
L Mello	4	2				
G Yeates (resigned 30 June 2016)	3	2	1	1	1	1
R Butcher	4	2				
P Kanck	4	4				
J Ndlovu	4	0				
C Moorhead	4	3				
C Wijns (appointed 26 Nov 2015)	3	3				
A Harris (appointed 26 Nov 2015)	3	2				
S Grocott (appointed 21 Apr 2016)	2	2				



**AMIRA International Limited and its Controlled Entities**  
**Year Ended 30 June 2016**

[Place holder for GT's auditor's independence declaration]

# Financial Report

Year Ended 30 June 2016

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**AMIRA International Limited and its Controlled Entities**  
**Year Ended 30 June 2016**

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**AMIRA International Limited and its Controlled Entities**  
**Year Ended 30 June 2016**

**Statement of profit or loss and other comprehensive income**

	Note	Consolidated	
		2016	2015
		\$	\$
Continuous operations			
Revenues from operations	4	2,853,365	3,187,978
Expenses from operations	5	2,678,294	2,847,523
<b>Surplus before tax</b>		<b>175,071</b>	<b>340,455</b>
Income tax benefit		-	15,393
<b>Net surplus available to members of the parent entity</b>		<b>175,071</b>	<b>355,848</b>
<b>Other comprehensive income</b>			
Exchange differences on translating foreign operations		5,079	75,142
<b>Total other comprehensive income for the year</b>		<b>5,079</b>	<b>75,142</b>
<b>Total comprehensive income for the period net of tax</b>		<b>180,150</b>	<b>430,990</b>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

**AMIRA International Limited and its Controlled Entities**  
**Year Ended 30 June 2016**

**Statement of financial position**

		Consolidated	
	Note	2016 \$	2015 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	5,851,640	6,720,016
Trade and other receivables	7	2,513,579	3,667,133
Other assets	7	21,441	32,704
<b>Total current assets</b>		<b>8,386,660</b>	<b>10,419,853</b>
<b>Non-current assets</b>			
Property, plant and equipment	8	1,286,009	1,323,719
<b>Total non-current assets</b>		<b>1,286,009</b>	<b>1,323,719</b>
<b>Total assets</b>		<b>9,672,669</b>	<b>11,743,572</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	9	2,279,511	1,153,423
Other liabilities	9	1,507,227	1,680,714
Provisions	11	570,228	657,520
Project balances	10	3,113,783	6,231,042
<b>Total current liabilities</b>		<b>7,470,749</b>	<b>9,722,699</b>
<b>Non-current liabilities</b>			
Provision	12	32,005	31,108
<b>Total non-current liabilities</b>		<b>32,005</b>	<b>31,108</b>
<b>Total liabilities</b>		<b>7,502,754</b>	<b>9,753,807</b>
<b>Net assets/(net liabilities)</b>		<b>2,169,915</b>	<b>1,989,765</b>
<b>Equity</b>			
Members' interest			
Retained surplus	14	1,759,509	1,584,438
Gain on asset revaluation		491,952	491,952
Foreign currency translation reserve		(81,546)	(86,625)
<b>Total equity</b>		<b>2,169,915</b>	<b>1,989,765</b>

The above statement of financial position should be read in conjunction with the accompanying notes.

**AMIRA International Limited and its Controlled Entities**  
**Year Ended 30 June 2016**

**Statement of changes in equity**

**Consolidated**

	Note	Retained Earnings	Foreign Currency Translation Reserve	Gain on Asset Revaluation	Total
		\$	\$	\$	\$
Balance at 30 June 2014	14	1,228,590	(161,767)	380,165	1,446,988
Net surplus		355,848	-	-	355,848
Other comprehensive income net of tax		-	75,142		75,142
Gain on asset revaluation				111,787	111,787
<b>Balance at 30 June 2015</b>	<b>14</b>	<b>1,584,438</b>	<b>(86,625)</b>	<b>491,952</b>	<b>1,989,765</b>
Net surplus		175,071	-	-	175,071
Other comprehensive income net of tax		-	5,079	-	5,079
<b>Balance at 30 June 2016</b>	<b>14</b>	<b>1,759,509</b>	<b>(81,546)</b>	<b>491,952</b>	<b>2,169,915</b>

The above statement of changes in equity should be read in conjunction with the accompanying notes.

**AMIRA International Limited and its Controlled Entities**  
**Year Ended 30 June 2016**

**Statement of Cash flows**

	Note	Consolidated	
		2016	2015
		\$	\$
<b>Cash flow from operating activities</b>			
Receipts relating to projects		5,655,869	9,408,300
Payments relating to projects		(5,394,359)	(8,763,889)
Receipts relating to subscriptions and other income		1,484,995	1,735,406
Receipts from sundry income		70,443	55,328
Interest received		111,598	218,031
(Payment)/receipt of income tax		-	12,882
Payments to other suppliers and employees		(2,836,472)	(3,314,148)
<b>Net cash flows from/(used in) operating activities</b>	<b>15</b>	<b>(907,926)</b>	<b>(648,090)</b>
<b>Cash from investing activities</b>			
Purchase of property, plant & equipment		(12,723)	(1,321)
<b>Net cash flows from investing activities</b>		<b>(12,723)</b>	<b>(1,321)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(920,649)</b>	<b>(649,411)</b>
Net foreign exchange difference		52,273	69,121
Cash and cash equivalents at beginning of period		6,720,016	7,300,306
<b>Cash and cash equivalents at end of period</b>	<b>6</b>	<b>5,851,640</b>	<b>6,720,016</b>

The above cash flow statement should be read in conjunction with the accompanying notes.

**AMIRA International Limited and its Controlled Entities**  
**Year Ended 30 June 2016**

**Notes to the financial statements**

**1. Corporate information**

**1.1 Structure**

AMIRA International Limited (**AMIRA** or **the Parent entity**) operates for and on behalf of its members. Under AMIRA's constitution, no income or property may be distributed, paid or transferred to its members either directly or indirectly. In the event of the winding up of the company, the liability per member is limited by guarantee to \$10. The company does not have share capital but rather members' funds. AMIRA's income is exempt from Australian taxation under the provisions of Section 50-5 of the Income Tax Assessment Act (1997) as amended. Refer to note 2.16 for further information.

AMIRA earns income principally through membership and management fees.

**Membership fees:** Membership to AMIRA is available to individuals or groups who are interested in AMIRA's activities after application and approval by the AMIRA board. Group members are further categorised as follows:

- Companies are assigned category A, B or C which is determined by the market capitalisation of the member companies;
- Companies who are suppliers are regarded as category S members

Other membership categories include:

- Companies who are explorers fall into category E;
- Companies who are admitted for membership under special circumstances are assigned category K status.

A sub category of class of membership may contain different rights and obligations to the rest of the class of membership including, but not limited to, different or no voting rights. A member may choose to participate in a research project. When a member becomes a sponsor of a project it is required to remain a member of AMIRA, and pay the assigned annual membership fees, throughout the project life.

**Project management fees:** AMIRA arranges the development and oversight of collaborative research projects for its members who operate in the global mineral and associated industries. For these services, AMIRA earns a management fee over the life of the project.

A project typically runs for three years.

Members who sponsor a project, commit funds prior to the commencement of the project. Sponsors are required to pay these project amounts to AMIRA in annual instalments for the project duration.

For each project, AMIRA arranges for external research bodies to undertake the required research in accordance with the specific requirements of the sponsors to that project. AMIRA pays the research bodies after it receives the annual sponsorship instalments from the project sponsors. A sponsor defaulting on their payment of a project commitment, results in a direct reduction in the funds available for research bodies to complete their work for the project. AMIRA has no obligation to make payments if a sponsor defaults.

AMIRA operations include the following entities that it controlled (the AMIRA Group) during and at the end of the financial year ended 30 June 2016:

- AMIRA International Mineral Industrial Research Association (AMIRA Africa) incorporated in South Africa;
- AMIRA International North America, Inc (AMIRA North America) incorporated in Salt Lake City, Utah, USA; and
- Asesorias AMIRA International Latin America Limitada incorporated in Santiago, Chile.

As at 30 June 2016 the AMIRA Group had 12.6 Full time equivalent (FTE) employees and 2 casuals. Of these employees, 8.8 FTE plus the 2 casuals were in Australia, 1.4 FTE in South Africa, 1 FTE in Denver, USA and 1.4 in Santiago, Chile.



**AMIRA International Limited and its Controlled Entities**  
**Year Ended 30 June 2016**

**Preparation of financial statements**

The financial statements of the AMIRA Group have been prepared on the basis of Australian Accounting Standards and in accordance with the Australian Corporations Act.

AMIRA does not consider that it is a “reporting entity” as defined in Australian Accounting Statement of Accounting Concepts (SAC 1) for the following reasons:

- The users of the financial statements are its members and not the public at large;
- AMIRA is accountable to its members and not third parties for its performance and use of its funds, people and services; and
- Other than AMIRA members, there are no additional users, of the information contained in AMIRA’s financial statements that could not ordinarily request access to such information.

As AMIRA is not a “reporting entity”, it has elected to prepare special purpose financial reports for the year ended 30 June 2016 rather than the general purpose financial reports.

The impact of AMIRA preparing special purpose reports rather than general purpose reports is as follows:

- The accounting standards related to measurement (i.e. the determination of the results in the Income Statement and the Balance Sheet) still apply; and
- The disclosures or notes to the accounts are more onerous and prescriptive for a reporting entity that has to prepare general purpose reports. Note 2.2 provides more information.

Directors have authorised the issue of this financial report of AMIRA for the year ended 30 June 2016 in accordance with a resolution of the directors on 20 October 2016.

**2 Summary of significant accounting policies**

**2.1 Basis of preparation**

*2.1.1 Special purpose financial report*

The financial report is a special purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards board. The financial report has also been prepared on an historical cost basis, except for certain financial instruments that have been measured at fair value.

The financial report is presented in Australian dollars.

*2.1.2 Going concern basis*

This financial report has been prepared on a going concern basis that assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the normal course of operations.

As at 30 June 2016, the AMIRA Group had a surplus of current assets over current liabilities of \$915,911 (2015: \$697,154) and a surplus of net assets of \$2,169,915 (2015: \$1,989,765).

AMIRA has been able to meet its operating cash requirements from cash at bank and cash on deposit with banks and meet all debts as and when they fall due since 30 June 2016 and to the date of this report.

**AMIRA International Limited and its Controlled Entities**  
**Year Ended 30 June 2016**

AMIRA considers it will be able to continue as a going concern for the following reasons:

- **Structural change:** The directors of AMIRA International have put in place a business plan and budget to ensure the organization operates in a surplus position, thus ensuring the business continues to be viable. This revised structure for AMIRA International was implemented, with effect from June 2014, and included a significant reduction of staff, new management and reporting structure, and most importantly a significantly reduced level of fixed costs.
- **Investment policy:** The board has also acted to ensure that all Australian funds since 2008 have been invested conservatively with only the four major Australian banks in cash on deposit or cash at call.
- **Ability to liquidate a non-current asset:** AMIRA owns a strata title floor of a building in Melbourne that was valued at \$1.3 million in June 2016. The building is unencumbered and may be mortgaged or sold to improve the liquidity of the Group. If this occurred, AMIRA would be required to rent or lease office accommodation for its Melbourne office.

AMIRA has modelled its projected cash flows for the period ending 30 June 2017 based on a conservative level of new business activity as well as the continued oversight of existing projects. This modelling indicates that AMIRA anticipates remaining cash positive during this period and therefore should continue as a going concern. Any amounts redeemed from funds held in Collateralised Debt Obligations (CDOs) will be additional to this and will increase the cash balance available to AMIRA.

## **2.2 Compliance with International Financial Reporting Standards (IFRS)**

The financial report is not in compliance with IFRS as AMIRA has elected to prepare a special purpose financial report rather than general purpose financial report on the basis that it is not a reporting entity as defined in Australian Accounting Standards and concepts.

The directors have prepared the financial report in accordance with all Accounting Standards and mandatory reporting requirements in Australia with the following exceptions that relate to disclosure requirements:

- AASB 7 Financial Instruments: Disclosures;
- AASB 112 Income Taxes;
- AASB 116 Property, Plant and Equipment;
- AASB 117 Leases;
- AASB 124 Related Party Disclosures; and
- AASB 137 Provisions, Contingent Liabilities and Contingent Assets

## **2.3 New accounting standards and interpretations**

The Group has adopted all the amendments to Australian Accounting Standards issued by the Australian Accounting Standards Board, which are relevant to and effective for the Company's financial statements for the annual period beginning 1 July 2015.

**None of the amendment have had a significant impact on the company**

## **2.4 Basis of consolidation**

The consolidated financial statements consist of the financial statements of AMIRA International Limited and the entities it controlled during and at the end of the year 30 June 2016.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

In preparing the consolidated financial statements, AMIRA has eliminated in full, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions.

**AMIRA International Limited and its Controlled Entities**  
**Year Ended 30 June 2016**

**2.5 Foreign currency translation**

*2.5.1 Functional currency translation*

The functional and presentation currency of AMIRA International Limited is Australian dollars (\$). The African entity's functional currency is South African Rand, the North American entity's functional currency is US dollars and the South American entity's functional currency is Chilean Pesos. These are translated to presentation currency as below.

*2.5.2 Transactions and balances*

Transactions in foreign currency are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange at the balance sheet date. Non monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

*2.5.3 Translation of group companies functional currency to presentation currency*

The results of the North American, South American and African subsidiaries are translated into Australian dollars at the date of each transaction. Assets and liabilities are translated at exchange rates prevailing at balance date.

Exchange variations resulting from the translation are recognised in the foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of the net investment in the African and North American subsidiaries are taken to the foreign currency translation reserve.

**2.6 Cash and cash equivalents – refer note 6**

Cash and cash equivalents in the balance sheet consist of cash at banks and in hand and short-term deposits with an original maturity of six months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above.

**2.7 Trade and other receivables – refer note 7**

Trade receivables are recognised at cost and are generally payable within 30 days of invoice. Individual debts that are known to be uncollectible are written off when identified. An impairment provision is recognised when there is objective evidence that the Group may not be able to collect the receivable. Financial difficulties of the debtor, default payments or debts more than 120 days overdue are considered objective evidence of impairment.

**2.9 Property, plant and equipment – refer note 8**

Property, plant and equipment are carried at historical cost less accumulated depreciation.

Depreciation is calculated on a straight-line basis over the estimated useful life of the specific assets as follows:

- Land – not depreciated;
- Building – 40 years;
- Furniture, fixtures and fittings - 5 years; and
- Computer equipment and software – 3 years.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Gains or losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the income statement.

**AMIRA International Limited and its Controlled Entities**  
**Year Ended 30 June 2016**

**2.10 Impairment of non-financial assets other than goodwill**

AMIRA conducts an annual review of asset values that is used as a source of information to assess for any indicators of impairment. External factors, such as changes in expected future processes, technology and economic conditions are also monitored to assess for indicators of impairment. If any indication of impairment exists, an estimate of the asset's recoverable amount is calculated.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets, other than goodwill, that suffered an impairment are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have been reversed.

**2.11 Leases**

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and whether or not the arrangement conveys a right to use the asset.

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

**2.12 Trade and other payables and other liabilities – refer note 9**

Trade and other payables are carried at cost. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments for these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

**2.13 Project balances – refer note 10**

This account represents:

- The amount that is due and payable within the next 12 months to principally external parties for research undertaken in accordance with agreed project milestones. This amount is only payable after the project sponsors have made their annual commitment payment for the project to AMIRA; and
- The unearned revenue of AMIRA for project management fees. This amount is amortised after the commencement of a project over the remaining life of the project.

**2.14 Provisions – refer notes 11 and 12**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate may be made of the amount of the obligation.

AMIRA has provisions for the following:

*2.14.1 Wages, salaries, annual leave and personal leave*

Liabilities for wages and salaries, and annual leave that the Group expects to settle within 12 months of the reporting date are recognised for employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Personal leave expense is recognised when the leave is taken and is measured at the rates paid or payable. Personal leave is not payable on termination of employment.

*2.14.2 Long service leave*

The liability for long service leave is recognised and measured as the present value of expected future payments to be made for services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

**AMIRA International Limited and its Controlled Entities**  
**Year Ended 30 June 2016**

*2.14.3 Employee incentives*

Liabilities for employee incentives or bonuses expected to be settled within 12 months of the reporting date are recognised for employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

**2.15 Revenue recognition – refer note 4**

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Group and the revenue may be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

*2.15.1 Membership fees*

AMIRA generally invoices its members on an annual basis for the financial year at the fees set by the board for each level or category of membership (refer note 1). The income for membership is recognised as earned over the year in which it is levied.

*2.15.2 Management fees*

AMIRA earns management fees for the development and oversight of projects. Each project's value is determined by the amount that sponsors agree to commit to the project over the project life. This is generally 3 years and this total value of a new project is referred to as "new business". The fees earned by AMIRA are calculated at an agreed % on the value of new business gained during the period. The difference between AMIRA's management fees and the amount committed and paid by the sponsors, represents the amount payable to the researchers for the project.

Management fees in a given year consist of:

- Development fees on new business; and
- Oversight fees on continuing business (i.e. projects in progress).

AMIRA recognises the development fee as revenue in the period in which a project commences. The date of commencement is the date when AMIRA has received sufficient sponsor agreements from its members giving an irrevocable commitment to fund the project on an annual basis over the life of the project. The development fee is 50% of the total management fees that will apply to that project over its life.

The oversight fees on continuing businesses revenue are recognised in the profit and loss on an amortised basis of equal monthly instalments over the expected life of the project.

*2.15.3 Subscription fees*

AMIRA earns revenue by providing on-line access to an encyclopaedia of ore deposits ([www.dmgeode.com](http://www.dmgeode.com)). This project (referred to as DM) is designed to be self funding. Where costs incurred in maintaining the data base exceed subscriptions received, the excess is charged against the project balances ledger. The project balance has a credit balance remaining from an earlier external project on DM. When the surplus arises, there is an agreement made by the sponsors that the balance may be used for the future activities of DM.

*2.15.4 Interest revenue*

Revenue is recognised as and when interest accrues from the funds invested.

**AMIRA International Limited and its Controlled Entities**  
**Year Ended 30 June 2016**

**2.16 Income tax and other taxes**

*2.16.1 Income tax*

Earnings of the parent entity AMIRA are exempt from income tax under Section 50-5 of the Income Tax Assessment Act 1997. The African entity, AMIRA South Africa is also a tax exempt body. In AMIRA North America, taxes are levied at the rate of 15% on taxable income that is computed as costs incurred plus 10%.

*2.16.2 Other taxes*

Revenue, expenses and assets are recognised net of the amount of the goods and services tax (GST) except:

- When the GST incurred is not recoverable from the taxation authority in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable;
- Receivable and payable that are stated inclusive of GST.  
The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivable or payables in the balance sheet.

**2.17 Comparative figures**

Certain balances have been reclassified in the prior year to conform to current year presentation.

**3 Significant accounting judgements, estimates and assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances. This forms the basis of the determination of the carrying values of assets and liabilities that are not readily apparent from other sources.

Management have identified the following critical accounting policies from which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

**3.1 Significant accounting judgements**

*Revenue recognition*

AMIRA recognises revenue in accordance with its policy as outlined in note 2.15.

**4 Revenue – operating revenue and other income**

	<b>Consolidated</b>	
	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>Operating revenue</b>		
Management fees	1,059,866	1,190,578
Membership and subscriptions	1,572,917	1,735,406
<b>Total operating revenue</b>	<b>2,632,783</b>	<b>2,925,984</b>
<b>Other income</b>		
Interest	137,475	211,993
Sundry income	36,834	55,328
Net gain/(loss) on foreign exchange	46,273	(5,327)
<b>Total other income</b>	<b>220,582</b>	<b>261,994</b>
<b>Total revenue</b>	<b>2,853,365</b>	<b>3,187,978</b>

**AMIRA International Limited and its Controlled Entities**  
**Year Ended 30 June 2016**

**5 Expenses**

	<b>Consolidated</b>	
	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>Operating expenses - before depreciation and amortisation and impairment</b>		
Salaries and employee benefits	2,005,775	2,038,347
Travel and communications	268,609	315,996
Consultants	87,074	129,426
Administration	267,323	302,496
<b>Total- operating expenses – before depreciation and amortisation and impairment</b>	<b>2,628,781</b>	<b>2,786,265</b>
<b>Depreciation and amortisation</b>		
Building	32,500	32,910
Office equipment and software	17,013	28,348
<b>Total – depreciation and amortisation</b>	<b>49,513</b>	<b>61,258</b>
<b>Total expenses</b>	<b>2,678,294</b>	<b>2,847,523</b>

**AMIRA International Limited and its Controlled Entities**  
**Year Ended 30 June 2016**

**6 Current assets – cash and cash equivalents**

	<b>Consolidated</b>	
	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Cash at bank and on hand	1,439,520	913,590
Deposits at call	4,412,120	5,806,426
<b>Total</b>	<b>5,851,640</b>	<b>6,720,016</b>

**7 Current assets – trade and other receivables and other assets**

	<b>Consolidated</b>	
	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Trade receivables	2,504,014	3,438,454
<b>Net trade receivables</b>	<b>2,504,014</b>	<b>3,438,454</b>
<b>Add other receivables</b>		
Sundry debtors	4,613	2,915
Interest receivable	3,823	28,819
Net receivable – goods and services tax	1,129	196,945
<b>Total trade and other receivables</b>	<b>2,513,579</b>	<b>3,667,133</b>
<b>Other assets</b>		
Prepayments	21,441	32,704
<b>Total other assets</b>	<b>21,441</b>	<b>32,704</b>

**8 Non-current assets – property, plant and equipment**

	<b>Consolidated</b>	
	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>Carrying values</b>		
<b>Building</b>		
At cost	1,316,419	1,316,419
Accumulated depreciation	(48,919)	(16,419)
<b>Net book value</b>	<b>1,267,500</b>	<b>1,300,000</b>
<b>Office equipment and software</b>		
At cost	160,401	151,816
Accumulated depreciation	(141,892)	(128,097)
<b>Net book value</b>	<b>18,509</b>	<b>23,719</b>
<b>Total net book value for property, plant and equipment</b>	<b>1,286,009</b>	<b>1,323,719</b>



**AMIRA International Limited and its Controlled Entities**  
**Year Ended 30 June 2016**

**9 Current liabilities – trade and other payables and other liabilities**

	<b>Consolidated</b>	
	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>Trade and other payables</b>		
Trade creditors	2,248,956	1,106,300
Accruals	30,555	47,123
<b>Total – trade and other payables</b>	<b>2,279,511</b>	<b>1,153,423</b>
<b>Other liabilities</b>		
Project sponsor calls received in advance	37,840	37,840
Unearned subscription revenue	1,469,387	1,642,874
<b>Total – other liabilities</b>	<b>1,507,227</b>	<b>1,680,714</b>

**10 Current liabilities – project balances**

	<b>Consolidated</b>	
	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>Total project balances</b>	<b>3,113,783</b>	<b>6,231,042</b>

This balance represents the amount owed by AMIRA to researchers as well as unearned management fees – refer note 2.15.2 Project management fees.

**11 Current liabilities – provisions**

	<b>Consolidated</b>	
	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Annual leave	145,555	168,538
Long service leave	200,995	258,982
Bonuses	113,678	120,000
Other provisions	110,000	110,000
<b>Total – current provisions</b>	<b>570,228</b>	<b>657,520</b>

**12 Non-current liabilities – employee benefits provisions**

	<b>Consolidated</b>	
	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Long service leave	32,005	31,108
<b>Total- non-current provisions</b>	<b>32,005</b>	<b>31,108</b>
<b>Total current and non-current employee benefit provisions</b>	<b>602,233</b>	<b>578,628</b>

**AMIRA International Limited and its Controlled Entities**  
**Year Ended 30 June 2016**

**13 Contributed equity**

There is no share capital as the company is a company limited by the guarantee of its members that is capped at \$10 per member.

**14 Retained earnings**

	<b>Consolidated</b>	
	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Opening balance	1,584,438	1,228,590
Net surplus	175,071	355,848
<b>Closing balance</b>	<b>1,759,509</b>	<b>1,584,438</b>

**15 Cash flow statement reconciliation**

	<b>Consolidated</b>	
	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Operating surplus	175,071	355,848
Foreign exchange loss/(gain)	(46,274)	5,328
Depreciation of fixed assets		
• Office equipment and software	32,500	28,348
• Building	17,013	32,910
<b>Changes in assets and liabilities</b>		
(Increase)/ decrease trade receivables	934,440	(800,305)
(Increase)/ decrease sundry debtors	(1,698)	(1,494)
(Increase)/ decrease prepayments	11,263	14,322
(Increase)/ decrease interest receivable	24,995	6,037
Increase/(decrease) project balances	(3,117,259)	250,427
Increase/(decrease) trade creditors and accruals	1,126,087	(285,279)
Increase/(decrease) GST receivable	195,817	(221,343)
Increase/(decrease) in other liabilities	(173,486)	(105,614)
Increase/(decrease) employee entitlements	(86,395)	72,275
<b>Net cash flows generated (used) in operating activities</b>	<b>(907,926)</b>	<b>(648,090)</b>

**AMIRA International Limited and its Controlled Entities**  
**Year Ended 30 June 2016**

**16 Related party transactions**

During the year AMIRA International Limited charged its U.S.A. subsidiary, AMIRA North America Inc. \$33,609 (USD\$25,000) for general administrative costs. AMIRA North America Inc. charged its parent, AMIRA International Limited \$350,160 (USD\$255,110) for general administrative costs. Both transactions were non cash in nature and eliminated upon consolidation.

Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received.

**17 Superannuation contributions**

No AMIRA Group employees are members of a defined benefit superannuation fund or plan. AMIRA expenses the employer superannuation contributions as incurred to accumulation plans. The amounts paid depend on the relevant legislative requirements in the country where each employee reside and on the individual employment contract that an employee has with its employer.

**18 Parent Entity information**

Information relating to AMIRA International Limited ('the Parent Entity')

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>Statement of financial position</b>		
Current assets	12,043,577	13,867,578
Total assets	13,325,307	15,182,881
Current liabilities	7,413,791	10,079,160
Total liabilities	7,445,796	10,110,268
Net assets	5,879,511	5,072,613
Retained earnings	5,387,558	4,580,661
Asset revaluation reserve	491,952	491,952
Total equity	5,879,511	5,072,613
<b>Statement of profit or loss and other comprehensive income</b>		
Surplus for the year	806,897	918,659
Other comprehensive income	-	-
Total comprehensive income	806,897	918,659

**AMIRA International Limited and its Controlled Entities**  
**Year Ended 30 June 2016**

**19 Post-reporting date events**

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation.

**20 Auditor's remuneration**

	<b>Consolidated</b>	
	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Amounts received or due and receivable by Grant Thornton Audit Pty Ltd. for:		
• audit of the financial report	33,500	33,500
<b>Total</b>	<b>33,500</b>	<b>33,500</b>

**AMIRA International Limited and its Controlled Entities**  
**Year Ended 30 June 2016**

**Directors' declaration**

In the opinion of the directors of AMIRA International Limited:

- The financial statements and notes are in accordance with the Corporations Act 2001, including:
  - Complying with the relevant Australian Accounting Standards to the extent described in note 2, and Corporations Regulations 2001 and other mandatory professional reporting requirements; and
  - Giving a true and fair view of the Company's and the consolidated Group's financial position as at 30 June 2016 and of their performance for the financial year ended on that date.
- There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Aubrey Pavard  
Chairman

Place: Melbourne

Date: 20 October 2016

**AMIRA International Limited and its Controlled Entities  
Year Ended 30 June 2015**

**Independent Auditor's Report**

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**Auditor's Independence Declaration  
To the Directors of Amira International Pty Ltd**

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of Amira International Pty Ltd for the year ended 20 September 2016, I declare that, 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.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



B. A. Mackenzie  
Partner - Audit & Assurance

Melbourne, 20 October 2016

Grant Thornton Audit Pty Ltd ACN 130 913 594  
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