ANNUAL
FINANCIAL REPORT

Printing Industries Association of Australia

Annual Financial Report

For the year ended 31 December 2017

Contents:

Operating Report

For the year ended 31 December 2017

The committee presents its report on the Printing Industries Association of Australia ("the Association") for the financial year ended 31 December 2017.

Review of principal activities, the results of those activities and any significant changes in the nature of those activities during the year

During the year the Association continued to assist its members with specialty services, advice, support and representation. As a result of these activities, the Association generated a loss of $831,828 during the year. There were no significant changes in the nature of the activities of the Association during the year.

Significant changes in financial affairs

There were no significant changes in the financial affairs of the Association during the year.

Right of members to resign - (Section 174) and clause 8 of the Association Constitution

1) A member of the Association may resign by written notice addressed and delivered to a person designated for the purpose in the rules of the Association.

2) This resignation will take effect from:

a. Where the member ceases to be eligible to be a member of the Association:
   - i) On the day on which the notice is received by the Association; or
   - ii) On the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to be a member, whichever is later; or

b. in any other case:
   - i) at the end of two weeks, or such shorter period as is specified in the rules of the Association, after the notice is received by the Association; or
   - ii) On the day specified in the notice, whichever is later.

3) Any dues payable but not paid by the former member of the Association. In relation to a period before the member's resignation from the Association took effect, may be sued for and recovered in the name of the Association, in a court of a competent jurisdiction as a debt due to the Association.

4) A notice delivered to the person mentioned in subsection (1) is taken to have been received by the Association when it was delivered.

5) A notice of resignation that has been received by the Association is not invalid because it was not addressed and delivered in accordance with subsection (1).

6) A resignation from membership of the Association is valid even if it is not affected in accordance with this section if the member is informed in writing by or on behalf of the organisation that the resignation has been accepted.

For the year ended 31 December 2017

Officers or members who are superannuation fund trustee(s) or director of a company that is a superannuation fund trustee

No officer or member of the Association is a trustee of a superannuation entity or an exempt public sector superannuation scheme; or a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme.

Susan Heaney and Peter Halters are members of the Association and directors of a company that is a trustee of Media Super a superannuation entity.

Number of members

There were 621 members recorded in the register of members and who are taken as members at the end of the financial year. 139 of those members are 'non-financial'.

Number of employees

There were 7 full time equivalent employees of the Association at the end of the financial year.

Operating Report (continued)

For the year ended 31 December 2017

Names of Committee of Management members and period positions held during the financial year

For the duration of the financial year (unless indicated otherwise) Board members during the year were:

Director	Retired	Board Meetings A	Board Meetings B
Kieran May	4 July 2017	1	2
Peter Lane OAM	29 December 2017	5	5
Chris Segaert	-	4	5
Graham Jamieson	-	4	5
Matt Aitken	-	4	5
Walter Kuhn	-	5	5
John Scott	10 October 2017	3	4
Peter Clark	-	4	5
Ron Patterson	-	5	5

A – Number of meetings attended.

B – Number of meetings held during the time the director held office during the year.

Signature of designated officer:

Ron Patterson

National Honorary Treasurer

31 May 2018

Committee of Management Statement

For the year ended 31 December 2017

On the 31st of May 2018, the Committee of Management of the Printing Industries Association of Australia passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 31 December 2017:

The Committee of Management declares that in its opinion:

(a) The financial statements and notes comply with the Australian Accounting Standards;

(b) The financial statements and notes comply with the reporting guidelines of the General Manager;

(c) The financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Printing Industries Association of Australia for the financial year to which they relate;

(d) There are reasonable grounds to believe that the Printing Industries Association of Australia will be able to pay its debts as and when they become due and payable; and

(e) During the financial year to which the GPFR relates and since the end of that year:

  (i) meetings of the committee of management were held in accordance with the rules of the Association; and

  (ii) the financial affairs of the Association have been managed in accordance with the rules of the Association; and

  (iii) the financial records of the Association have been kept and maintained in accordance with the *Fair Work (Registered Organisations) Act 2009*; and

  (iv) where information has been sought in any request by a member of the Association or the General Manager duly made under section 272 of the *Fair Work (Registered Organisations) Act 2009* has been provided to the member or the General Manager; and

  (v) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the *Fair Work (Registered Organisations) Act 2009*, there has been compliance.

(f) No revenue has been derived from undertaking recovery of wages activity during the reporting period.

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

Signature of designated officer:

Ron Patterson

National Honorary Treasurer

31 May 2018

Statement of Comprehensive Income

For the year ended 31 December 2017

	Note	2017	2016
Revenue			
Membership subscription		1,324,288	1,741,490
Capitation fees	3a	-	-
Levies	3b	-	-
Interest	3c	48,521	32,337
Rental revenue	3d	137,164	91,562
Other revenue	3g	690,264	245,915
Gain on revaluation of investment property	3h	68,380	-
		2,268,617	2,111,304
Grants or donations	3e	-	96,237
Net gains from sale of assets	3f	-	13,018
		-	109,255
Total income		2,268,617	2,220,559
Expenses			
Employee expenses	4a	1,973,710	2,210,323
Capitation fees	4b	-	-
Affiliation fees	4c	44,721	11,170
Administration expenses	4d	799,967	1,094,434
Grants or donations	4e	-	-
Depreciation	4f	145,510	107,694
Finance costs	4g	7,854	11,846
Legal costs	4h	17,608	22,320
Audit fees	13	20,100	32,000
Write-down and impairment of assets	4i	89,698	-
Net losses from sale of assets	4j	1,277	2,776
Total expenses		3,100,445	3,492,563
Loss for the year		(831,828)	(1,272,004)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Revaluation loss on land and buildings		(571,645)	-
Total comprehensive income (loss) for the year		(1,403,473)	(1,272,004)

The notes on pages 11 to 40 are an integral part of these financial statements.

Statement of Financial Position

As at 31 December 2017

	Note	**2017**	2016
Current assets			
Cash and cash equivalents	5a	**216,352**	554,041
Trade and other receivables	5b	**78,806**	130,692
Other current assets	5c	**105,527**	98,735
Investments	5d	**1,740,647**	2,253,116
Total current assets		**2,141,332**	3,036,584
Non-current assets			
Land and buildings	6a	**4,340,000**	5,664,328
Plant and equipment	6b	**166,400**	271,791
Investment property	6c	**750,000**	-
Intangibles	6d	**174,714**	-
Other investments	6f	**20,000**	70,000
Other non-current assets	6g	**123,378**	182,239
Total non-current assets		**5,574,492**	6,188,358
Total assets		**7,715,824**	9,224,942
Current liabilities			
Trade payables	7a	**131,364**	206,553
Other payables	7b	**330,847**	192,088
Employee benefits	8a	**13,034**	144,016
Total current liabilities		**475,245**	542,657
Non-current liabilities			
Other payables	7b	**93,279**	131,512
Total non-current liabilities		**93,279**	131,512
Total liabilities		**568,524**	674,169
Net assets		**7,147,300**	8,550,773
Equity			
Asset revaluation reserve	9a	**1,866,610**	2,925,121
Retained earnings	9b	**5,280,690**	5,625,652
Total equity		**7,147,300**	8,550,773

The notes on pages 11 to 40 are an integral part of these financial statements.

Statement of Changes in Equity

For the year ended 31 December 2017

	Asset revaluation reserve	Retained earnings	Total equity
Balance as at 1 January 2016	2,925,121	6,897,656	9,822,777
Loss for the year	-	(1,272,004)	(1,272,004)
Other comprehensive income for the year	-	-	-
Closing balance as at 31 December 2016	**2,925,121**	**5,625,652**	**8,550,773**
Loss for the year		(831,828)	(831,828)
Transfer to retained earnings on reclassification to investment property	(486,866)	486,866	-
Other comprehensive income for the year	(571,645)	-	(571,645)
Closing balance as at 31 December 2017	**1,866,610**	**5,280,690**	**7,147,300**

The notes on pages 11 to 40 are an integral part of these financial statements.

Statement of Cash Flows

For the year ended 31 December 2017

	Note	2017	2016
Cash flows from operating activities			
Cash receipts from customers	10b	**2,564,371**	1,664,589
Cash payments to suppliers and employees	10b	**(3,333,167)**	(1,954,985)
Net cash from (used in) operating activities	10a	**(768,796)**	(290,396)
Cash flows from investing activities			
Disposal of held to maturity assets		**522,392**	515,052
Interest received from held to maturity assets		**53,761**	27,121
Proceeds from sale of plant and equipment		**29,000**	-
Purchase of plant and equipment		**(174,046)**	(135,484)
Net cash from (used in) investing activities		**431,107**	406,689
Net increase (decrease) in cash and cash equivalents		**(337,689)**	116,293
Cash and cash equivalents at 1 January		**554,041**	437,748
Cash and cash equivalents at 31 December	5a	**216,352**	554,041

The notes on pages 11 to 40 are an integral part of these financial statements.

Index to the Notes of the Financial Statements

Note 1. Statement of significant accounting policies

1.1 Basis of preparation of the financial statements

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and the *Fair Work (Registered Organisation) Act 2009*. For the purpose of preparing the general purpose financial statements, the Printing Industries Association of Australia ("the Association") is a not-for-profit entity.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost, except for certain assets and liabilities measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

The financial statements are presented in Australian dollars.

1.2 Comparative amounts

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

1.3 Significant accounting judgements and estimates

The following accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period:

Employee entitlements
The liability for employee entitlements expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date.

Allowance for doubtful debts
An allowance is made for doubtful debts based on management's estimate of the prospect of recovering the debt. Where management has determined that the recovery of the debt is doubtful, the amount is provided for immediately.

Fair values of land & buildings
The Association values its land and buildings at fair value at last valuation date less subsequent depreciation. The valuation requires judgement to be applied in selecting appropriate valuation techniques and setting valuation assumptions. The Association engages independent registered valuers to value each of its properties every 3 years.

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standard requirements
No accounting standard has been adopted earlier than the application date stated in the standard.

Future Australian Accounting Standards Requirements
New standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to the future reporting period that are expected to have a future financial impact on the Association include:

AASB 16: *Leases* (applicable to annual reporting periods beginning on or after 1 January 2018).

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: *Leases* and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard are as follows:
- Recognition of a right-of use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- Depreciation of right-of-use assets in line with AASB 116: *Property, Plant and Equipment* in profit or loss and unwinding of the liability in principal and interest components;
- Inclusion of variable lease payments that depend on an index or a rate in the initial measurement of the lease liability using the index or rate at the commencement date;
- Application of a practical expedient to permit a lessee to elect not to separate non-lease components and instead account for all components as a lease; and
- Inclusion of additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in lines with AASB 108: *Accounting Policies, Changes in Accounting Estimates and Errors* or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

Although the Committee of Management anticipate that the adoption of AASB 16 will impact the company's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

There were no other new standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to the future reporting period that are expected to have a significant financial impact on the Association.

1.5 Revenue

Revenue is measured at the fair value of the consideration received or receivable.

Revenue from subscriptions is accounted for on an accrual basis and is recorded as revenue in the year to which it relates.

1.5 Revenue (continued)

Revenue from the sale of goods is recognised when, the risks and rewards of ownership have been transferred to the buyer, the entity retains no managerial involvement or effective control over the goods, the revenue and transaction costs incurred can be reliably measured, and it is probable that the economic benefits associated with the transaction will flow to the entity.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

Interest revenue is recognised on an accrual basis using the effective interest method.

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease.

1.6 Government grants

Government grants are not recognised until there is reasonable assurance that the Association will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Association recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Association should purchase, construct otherwise acquire non-current assets are recognised as deferred revenue in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Association with no future related costs are recognised in profit or loss in the period in which they become receivable.

1.7 Gains

Sale of assets
Gains and losses from disposal of assets are recognised when control of the asset has passed to the buyer.

1.8 Capitation fees and levies

Capitation fees and levies are recognised on an accrual basis and recorded as a revenue and/or expense in the year to which it relates.

1.9 Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and termination benefits when it is probable that settlement will be required and they are capable of being measured reliably.

1.9 Employee benefits (continued)

Liabilities for short-term employee benefits (as defined in AASB 119 *Employee Benefits*) and termination benefits which are expected to be settled within twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

1.10 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Where an asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and a liability is recognised at the same time and for the same amount.

Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets.

1.10 Leases (continued)

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

1.11 Borrowing costs

All borrowing costs are recognised in profit and loss in the period in which they are incurred.

1.12 Cash

Cash is recognised at its nominal amount. Cash and cash equivalents includes cash on hand, deposits held at call with bank, other short-term highly liquid investments with original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

1.13 Financial instruments

Financial assets and financial liabilities are recognised when the Association becomes a party to the contractual provisions of the instrument.

1.13 Financial instruments (continued)

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

1.14 Financial assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised upon trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Fair value through profit or loss

Financial assets are classified as at fair value through profit or loss when the financial asset is either held for trading or it is designated as at fair value through profit or loss.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Association manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Association's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item in the statement of comprehensive income.

1.14 Financial assets (continued)

Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity dates that the Association has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

Available-for-sale

The Association has investments in unlisted shares that are not traded in an active market but that are also classified as available-for-sale financial assets and stated at fair value. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve, with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the Association's right to receive the dividends is established. The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The foreign exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Association's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

1.14 Financial assets (continued)

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

In respect of available-for-sale equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of available-for-sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

De-recognition of financial assets

The Association de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

1.15 Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

Fair value through profit or loss

Financial liabilities are classified as at fair value through profit or loss when the financial liability is either held for trading or it is designated as at fair value through profit or loss.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Association manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

1.15 Financial liabilities (continued)

Fair value through profit or loss (continued)

A financial liability other than a financial liability held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Association's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the statement of comprehensive income.

Other financial liabilities

Other financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs.

De-recognition of financial liabilities

The Association derecognises financial liabilities when, and only when, the Association's obligations are discharged, cancelled or they expire. The difference between the carrying amounts of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

1.16 Contingent liabilities and contingent assets

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

1.17 Land, buildings, plant and equipment

Asset recognition threshold

Purchases of land, buildings, plant and equipment are recognised initially at cost in the Statement of Financial Position. The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

Revaluations—land and buildings

Following initial recognition at cost, land and buildings are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient frequency such that the carrying amount of assets do not differ materially from those that would be determined using fair values as at the reporting date.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the profit or loss except to the extent that they reverse a previous revaluation increment for that class. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount.

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful life using, in all cases, the straight line method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

- Land & buildings 40 years
- Plant and equipment 5 to 13 years

1.17 Land, buildings, plant and equipment (continued)

De-recognition

An item of land, buildings, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit and loss.

1.18 Taxation

The Association is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997 however still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified within operating cash flows.

1.19 Fair value measurement

The Association measures financial instruments, such as, financial asset as at fair value through the profit and loss, available for sale financial assets, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

1.19 Fair value measurement (continued)

The principal or the most advantageous market must be accessible by the Association. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Association uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Association determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as land and buildings and investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the Association has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

1.20 Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit and loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

1.21 Intangibles

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful life, being three (3) to five (5) years. The estimated useful lives and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Derecognition

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit and loss when the asset is derecognised.

Note 2. Events after the reporting period

There were no events that occurred after 31 December 2017, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Association.

Note 3. Income

	2017	2016
3a - Capitation fees		
Capitation fees	-	-
3b - Levies		
Levies	-	-
3c - Interest		
Deposits	48,521	32,337
3d - Rental revenue		
Properties	137,164	91,562
3e - Grants or donations		
Grants	-	96,237
3f - Net gains from sale of assets		
Motor vehicles	-	13,018
	-	13,018

Note 3. Income (continued)

	2017	2016
3g - Other income		
Regional events and awards	558,586	56,727
Sponsorship	61,667	-
Certifications and Sustainable Green Print	28,908	102,540
Staff services	10,834	51,364
Training	-	5,909
Commissions	9,352	7,043
Sundry	20,917	22,332
	690,264	245,915

3h – Gain on revaluation of investment property

	2017	2016
Gain on revaluation of investment property	68,380	-

Note 4. Expenses

	2017	2016
4a - Employee expenses		
Holders of office:	-	-
Employees other than office holders:		
Wages and salaries	1,650,137	1,737,643
Superannuation	132,724	155,092
Leave and other entitlements	(130,983)	28,725
Separation and redundancies	159,614	40,674
Recruitment	65,733	124,275
Other employee expenses	96,485	123,914
	1,973,710	2,210,323
	1,973,710	2,210,323

4b - Capitation fees

	2017	2016
Capitation fees	-	-

Note 4. Expenses (continued)

4c - Affiliation fees

	2017	2016
Australian Chamber of Commerce and Industry	34,964	-
Two Sides Australia	7,500	8,625
World Print Communications Forum	-	1,355
Victorian Congress of Employer Association	1,000	1,000
The Federal Forum	750	-
The Centre for Independent Studies	227	-
The Sydney Institute	90	-
Institute of Public Affairs	190	190
	44,721	11,170

4d - Administration expenses

	2017	2016
Consideration to employers for payroll deductions	-	-
Compulsory levies	-	-
Fees/allowances - meeting and conferences	-	-
Bad debts	122,154	74,305
Doubtful debts	(155,860)	193,030
Conference and meeting expenses - staff	-	20,002
Board meeting expenses	39,225	36,973
Contractors and consultants	52,987	145,413
Property expenses	86,993	62,524
Office expenses	50,958	68,287
Repairs and maintenance	9,501	12,596
Travel	152,368	118,219
Information technology	129,379	71,944
Insurance	18,065	21,783
Subscriptions	18,072	9,257
Exhibitions	32,440	23,435
Entertainment	28,633	28,206
Equipment rental	31,045	29,760
Other	50,903	56,114
	666,863	971,848
Operating lease rentals:		
Minimum lease payments	133,104	122,586
	799,967	1,094,434

Note 4. Expenses (continued)

	2017	2016
4e - Grants or donations		
Grants:		
Total paid that were $1,000 or less	-	-
Total paid that exceeded $1,000	-	-
Donations:		
Total paid that were $1,000 or less	-	-
Total paid that exceeded $1,000	-	-
	-	-
4f - Depreciation and amortisation		
Land and buildings	71,063	71,063
Property, plant and equipment	48,706	36,631
Software and websites	25,741	-
	145,510	107,694
4g - Finance costs		
Bank charges	7,854	11,846
4h - Legal costs		
Litigation	11,752	-
Other legal matters	5,856	22,320
	17,608	22,320

Note 4. Expenses (continued)

	2017	2016
4i - Write-down and impairment of assets		
Asset write-downs and impairments of:		
Land and buildings	-	-
Other (investment and loan to Intech Australia Pty Ltd)	89,698	-
	89,698	-
4j - Net losses from sale of assets		
Plant and equipment	1,277	2,776
	1,277	2,776
4k - Other expenses		
Penalties - via RO Act or RO Regulations	-	-

Note 5. Current assets

	2017	2016
5a - Cash and cash equivalents		
Cash at bank	216,352	554,041
Cash on hand	-	-
	216,352	554,041
5b - Trade and other receivables		
Receivables from other reporting units	-	-
Less: provision for doubtful debts	-	-
Receivable from other reporting units (net)	-	-
Trade receivables	356,322	269,727
Allowance for doubtful debts	(288,975)	(193,030)
	67,347	76,697
Other receivables	1,551	-
GST receivable	9,908	53,995
	11,459	53,995
	78,806	130,692
5c - Other current assets		
Prepayments	81,292	44,190
Regional Activities (PICA / NPA)	-	22,000
Landlord lease incentive receivable	24,235	32,545
	105,527	98,735
5d - Other investments		
Held-to-maturity investments – term deposits	1,740,647	2,253,116

Note 6. Non-current assets

6a - Land and buildings

	2017	2016
Land and buildings:		
At fair value	**4,510,000**	5,765,000
Accumulated depreciation	**(170,000)**	(100,672)
	4,340,000	5,664,328

Reconciliation of the Opening and Closing Balances of Land and Buildings:

	2017	2016
As at 1 January		
Gross book value	**5,765,000**	5,765,000
Accumulated depreciation and impairment	**(100,672)**	(29,609)
Net book value 1 January	**5,664,328**	5,735,391
Additions:		
From acquisition of land and buildings	**-**	-
Revaluation decrement recognised in other comprehensive income	**(571,645)**	-
Transfer to investment property	**(681,620)**	-
Depreciation expense	**(71,063)**	(71,063)
Net book value 31 December	**4,340,000**	5,664,328

Fair value of the properties was determined by using market comparable method, using recent observable market data for similar properties. Inputs used include price per square metre and capitalisation rate. This means that valuations performed by the valuer are based on active market prices, significantly adjusted for difference in the nature, location or condition of the specific property. As at the date of revaluation the properties' fair values are based on valuations performed by accredited independent valuers.

Details of valuation are as below:

Property at	Valuer	Valuation date	Valuation
South Australia	Australian Valuation Group Pty Ltd	14 September 2017	$620,000
Western Australia	Garmony Property Consultants	21 November 2017	$2,200,000
Victoria	Herron Todd White	16 February 2018	$1,520,000

Note 6. Non-current assets (continued)

	2017	2016
6b - Plant and equipment		
Plant and equipment:		
At cost	**355,548**	479,317
Accumulated depreciation	**(189,148)**	(207,526)
	166,400	271,791

Reconciliation of the opening and closing balances of plant and equipment:

As at 1 January		
Gross book value	**479,317**	600,567
Accumulated depreciation and impairment	**(207,526)**	(423,870)
	271,791	176,697
Additions - purchase	**63,779**	135,483
Transfer to intangible assets	**(90,188)**	-
Depreciation expense	**(48,706)**	(36,631)
Disposals	**(30,276)**	(3,758)
Net book value 31 December	**166,400**	271,791

Note 6. Non-current assets (continued)

	2017	2016
6c – Investment property		
Additions	-	-
Transfers from property, plant and equipment	681,620	-
Net gain from fair value adjustment	68,380	-
	750,000	-

Reconciliation of the opening and closing balances of investment property:

As at 1 January		
Gross book value	-	-
	-	-
Transfers from property, plant and equipment	681,620	
Net gain from fair value adjustment recognised in profit and loss	68,380	-
Net book value 31 December	750,000	-

The valuations were performed by an accredited independent valuer (LandMark White (Brisbane) Pty Ltd on 9 November 2017) with a recognised and relevant professional qualification and with recent experience in the location and category of the investment property being valued.

The fair value of completed investment property has been determined on a market value basis in accordance with International Valuation Standards (IVS), as set out by the International Valuation Standards Council (IVSC). In arriving at their estimates of market values, the valuers have used their market knowledge and professional judgement and not only relied on historical transactional comparables. Inputs used include price per square metre and capitalisation rate.

The highest and best use of the investment properties is not considered to be different from its current use.

Rental income earned and received from the investment properties during the year was $61,977.

Note 6. Non-current assets (continued)

	2017	2016
6d - Intangibles		
Software and website:		
At cost	200,448	-
Accumulated amortisation	(25,734)	-
	174,714	-

Reconciliation of the opening and closing balances of intangibles:

As at 1 January		
Gross book value	-	-
Accumulated amortisation and impairment	-	-
	-	-
Additions:		
By purchase	110,267	-
Transfer from property, plant and equipment	90,188	-
Amortisation expense	(25,741)	-
Net book value 31 December	174,714	-

6f – Other investments

Shares in Intech Australia Pty Ltd	20,000	70,000

Note 6. Non-current assets (continued)

	2017	2016
6g - Other non-current assets		
Security deposits	111,378	111,378
Make-good provision	12,000	16,000
Loan – Intech Australia Pty Ltd	-	54,861
	123,378	182,239

Note 7. Current liabilities

	2017	2016
7a - Trade payables		
Trade creditors and accruals	131,364	206,553
Payables to other reporting units	-	-
	131,364	206,553

Settlement is usually made within 14 to 30 days.

7b - Other

Current:		
Wages and salaries	-	-
Superannuation	7,113	16,941
Consideration to employers for payroll deductions	26,477	57,359
Legal costs	-	-
- Litigation	-	-
- Other legal matters	-	-
Unearned revenue	167,487	55,018
Other	91,537	24,537
Lease incentive liability	38,233	38,233
	330,847	192,088
Non-current:		
Lease incentive liability	73,279	111,512
Make good provision	20,000	20,000
	93,279	131,512

Note 8. Provisions

8a – Employee provisions	2017	2016
Holders of office:	-	-
Employees other than office holders:		
Annual leave	13,034	72,627
Long service leave	-	71,389
Separations and redundancies	-	-
	13,034	144,016
	13,034	144,016
Represented as:		
Current	13,034	144,016
Non-current	-	-
	13,034	144,016

Note 9. Equity

9a – Asset revaluation reserve	2017	2016
Balance as at start of year	2,925,121	2,925,121
Other comprehensive income/(loss)	(571,645)	-
Transfer from asset revaluation reserve to retained earnings	(486,866)	-
Balance as at end of year	1,866,610	2,925,121

9b – Retained earnings

Balance as at start of year	5,625,652	6,897,656
Loss for the year	(831,828)	(1,272,004)
Transfer to retained earnings from asset revaluation reserve	486,866	-
Balance as at end of year	5,280,690	5,625,652

9c: Funds

Compulsory levy/voluntary contribution fund	-	-

Note 10. Notes to the Statement of Cash Flows

10a - Cash flow reconciliation

	2017	2016
Reconciliation of net cash flows from operating activities:		
Profit (loss) for the year	(831,828)	(1,272,004)
Less items classified as investing/financing activities:		
Interest on held to maturity asset	(53,761)	(27,121)
Adjustments for non-cash items:		
Depreciation and amortisation	145,510	107,694
Net write-down of non-financial assets	89,698	-
Revaluation increment recognised in profit and loss	(68,380)	-
(Gain) loss on disposal of assets	1,277	2,776
Change in current receivables	55,366	82,769
Change in other assets	(24,792)	72,844
Change in prepayments (project)	22,000	1,601,801
Change in payables	(47,140)	4,866
Change in unearned revenue	112,469	(830,441)
Change in provisions	(169,215)	(33,580)
Change in regional activities	-	-
Net cash from (used in) operating activities	(768,796)	(290,396)

10b - Cash flow information

	2017	2016
Cash inflows - Printing Industries Association of Australia	2,564,371	1,664,589
Cash outflows - Printing Industries Association of Australia	(3,333,167)	(1,954,985)

Note 11. Contingent liabilities and commitments

11a - Commitments and contingencies

Operating lease commitments—as lessee

Office Equipment leases

Future minimum rentals payable under non-cancellable operating leases:

	2017	2016
Within one year	**14,700**	19,781
Later than one year but not later than two years	**14,700**	16,394
Later than two years but not later than 5 years	**15,005**	29,705
	44,405	65,880

Office Premises leases

Future minimum rentals payable under non-cancellable operating leases:

	2017	2016
Within one year	**174,538**	172,934
Later than one year but not later than two years	**168,366**	172,934
Later than two years but not later than 5 years	**154,335**	336,178
Later than 5 years	**-**	-
	497,239	682,046

Other contingent assets or liabilities

Not applicable.

Note 12. Related party transactions

	2017	2016

12a - Related party disclosures

The Board members of the Association act in an honorary capacity and receive no remuneration.

Each Board member is a representative of an organisation who is itself, a member of the Association and who pays an annual subscription for that membership under normal commercial conditions.

12b - Key management personnel compensation

	2017	2016
Short-term employee benefits:		
Salary (including annual leave taken)	718,953	810,793
Annual leave accrued	(36,481)	3,632
Long service leave paid	23,678	-
Performance bonus	127,000	29,369
	833,150	843,794
Post-employment benefits:		
Superannuation	68,143	73,808
Other long-term benefits:		
Long-service leave accrued	(22,969)	3,303
Termination benefits		
Redundancy	26,442	-

12c - Transactions with key management personnel and their close family members

	2017	2016
Loans to (from) key management personnel	-	-
Other transactions with key management personnel	-	-

Note 13. Auditor's remuneration

	2017	2016
Value of the services provided:		
Audit of the financial statements	20,100	32,000
Other consulting services	-	-
	20,100	32,000

Note 14. Financial instruments

	2017	2016
14a – Categories of financial instruments		
Financial assets		
Cash and cash equivalents	216,352	554,041
Held-to-maturity investments:		
Term deposits	1,740,647	2,253,116
Loans and receivables:		
Trade debtors	67,347	76,697
Carrying amount of financial assets	2,024,346	2,883,854
Financial liabilities		
Trade creditors	131,364	206,553
Carrying amount of financial liabilities	131,364	206,553

14b - Net income and expense from financial Assets

Held-to-maturity:		
Net gain - interest revenue	48,521	32,337
Loans and receivables:		
Net gain (loss) - impairment for doubtful debts	33,705	(267,334)

Note 14. Financial instruments (continued)

	2017	2016

14c - Credit risk

Credit risk:

The carrying amount of the Association's financial assets represents the maximum credit exposure. The Association's maximum exposure to credit risk at the reporting date was $67,347 (2016: $76,697) the receivables balance as set out in note 5b.

The Committee of Management consider that there is no significant difference between the fair values and book values of the financial assets and liabilities at the balance date.

The Association does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Association. The Association has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount.

The Association does not require collateral in respect of financial assets.

14d – Market risk

Market risks generally relate to Interest rate risk

The Association's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

	2017	2016
Financial assets:		
Cash (2017: 0.50%, 2016: 0.37%)	**216,352**	554,041
Receivables	**67,347**	76,697
Investments (2017: 2.09%, 2016: 2.50%)	**1,740,647**	2,253,116
	2,024,346	2,883,854
Financial liabilities:		
Trade creditors	**131,364**	206,553

Note 15. Fair value measurement

15a - Financial assets and liabilities

Management of the Association assessed that for cash and cash equivalents, trade receivables, investments, trade payables, and other current liabilities, the carrying amounts approximate fair value, because of the short term maturity of these instruments, and therefore fair value information is not included.

15b – Non-Financial assets and liabilities

The Association measures freehold land and buildings at fair value. Revaluations are performed with sufficient frequency such that the carrying amount of assets do not differ materially from those that would be determined using fair values as at the reporting date.

Land and buildings are valued using the fair value hierarchy Level 2. Refer to note 1.19 for the definition of Level 2 and note 6 non-current assets for details on the valuation techniques and inputs.

Note 16. Section 272 Fair Work (Registered Organisations) Act 2009

In accordance with the requirements of the *Fair Work (Registered Organisations) Act 2009*, the attention of members is drawn to the provisions of subsections (1) to (3) of section 272, which reads as follows:

Information to be provided to members or General Manager:

(1) A member of a reporting unit, or the General Manager, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.

(2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.

(3) A reporting unit must comply with an application made under subsection (1).

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Independent Audit Report to the Members of Printing Industries Association of Australia

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Printing Industries Association of Australia (the Reporting Unit), which comprises the statement of financial position as at 31 December 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies and the Committee of Management Statement.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of Printing Industries Association of Australia as at 31 December 2017, and its financial performance and its cash flows for the year ended on that date in accordance with:

a) the Australian Accounting Standards; and

b) any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act).

We declare that management's use of the going concern basis in the preparation of the financial statements of the Reporting Unit is appropriate.

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 Reporting Unit in accordance with 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 my audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Information Other than the Financial Report and Auditor's Report Thereon

The Committee of Management is responsible for the other information. The other information obtained at the date of this auditor's report is in the Operating Report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Committee of Management for the Financial Report

The Committee of Management of the Reporting Unit is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the Committee of Management determine is necessary to enable the preparation of the 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 Committee of Management is responsible for assessing the Reporting Unit's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Committee of Management either intend to liquidate the Reporting Unit or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objective is 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 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 the financial report.

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

- Identify and assess the risks of material 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 Reporting Unit's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.

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- Conclude on the appropriateness of the Committee of Management's 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 Reporting Unit'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 Reporting Unit 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Reporting Unit to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Reporting Unit audit. We remain solely responsible for our audit opinion.

We communicate with the Committee of Management 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.

I declare that I am an approved auditor, a member of Chartered Accountants Australia and New Zealand and hold a current Public Practice Certificate.

Report on the Recovery of Wages Activity financial report

Printing Industries Association of Australia has not undertaken any recovery of wages activity during the financial year and is stated in the Committee of Management Statement note f.

Hill Rogers
Assurance Partners

B. Hanger

Brett Hanger
Partner

Registered Auditor no. AA2017/225

Dated this 1st day of June 2018