Print and Visual Communication Association

(formerly known as Printing Industries Association of Australia)

For the year ended 31 December 2019

Annual Financial Report

Contents:

Expenditure Report

For the year ended 31 December 2019

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Print and Visual Communication Association for the year ended 31 December 2019.

Categories of expenditures	***2019*** ***$***	***2018*** ***$***
Remuneration and other employment-related costs and expenses - employees	817,605	1,041,376
Advertising	18,827	12,188
Operating costs	763,771	825,706
Donations to political parties	-	-
Legal costs	25,789	30,479

Signature of prescribed designated officer:

John Georgantzakos

Honorary Treasurer

11 May 2020

Operating Report

For the year ended 31 December 2019

The Committee of Management presents its operating report on the Print and Visual Communication Association ("the Association") of Australia for the year ended 31 December 2019.

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 Print and Visual Communication Association continued to assist its members with specialty services, advice, support and representation. As a result of these activities, the Print and Visual Communication Association generated a profit of $95,044 during the year. There were no significant changes in the nature of the activities of the Print and Visual Communication Association during the year.

Significant changes in financial affairs

There were no significant changes in the financial affairs of the Print and Visual Communication Association during the year.

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

1) A member of the Print and Visual Communication Association may resign by written notice addressed and delivered to a person designated for the purpose in the rules of the Print and Visual Communication 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 Print and Visual Communication Association, after the notice is received by the Print and Visual Communication 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 Print and Visual Communication Association in relation to a period before the member's resignation from the Print and Visual Communication Association took effect, may be sued for and recovered in the name of the Print and Visual Communication Association, in a court of a competent jurisdiction as a debt due to the Print and Visual Communication Association.

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

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

Operating Report (continued)

For the year ended 31 December 2019

6) A resignation from membership of the Print and Visual Communication 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.

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 Print and Visual Communication 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 other than those noted below.

Susan Heaney is a member of the Print and Visual Communication Association and is a director of a company that is a trustee of Media Super, a superannuation entity.

Peter Clark is a member of the Print and Visual Communication Association and is a director of a company that is a trustee of Media Super, a superannuation entity.

Andrew Macaulay is an officer of the Print and Visual Communication Association and is a director of a company that is a trustee of Media Super, a superannuation entity.

Number of members

There were 773 members recorded in the register of members and who are taken as members at the end of the financial year.

Number of employees

There were three full time equivalent employees of the Print and Visual Communication Association at the end of the financial year.

Operating Report (continued)

For the year ended 31 December 2019

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	Appointed	Resigned	Board Meetings A	Board Meetings B
Anthony Pittaway	-	31 October 2019	3	5
John Georgantzakos	-	-	7	7
Kevin Pidgeon	1 January 2019	-	7	7
Martin Guilliamse	1 January 2019	-	6	7
Richard Celarc	1 January 2019	-	5	7
Sarah Leo	-	21 July 2019	1	3
Theo Pettaras	1 January 2019	-	3	7
Tom Eckersley	1 January 2019	-	7	7
Walter Kuhn	-	-	7	7

A – Number of meetings attended.

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

Signature of prescribed designated officer:

John Georgantzakos

Honorary Treasurer

11 May 2020

Committee of Management Statement

For the year ended 31 December 2019

On 11 May 2020, the Committee of Management of the Print and Visual Communication Association passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 31 December 2019:

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 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);

(c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Print and Visual Communication Association for the financial year to which they relate;

(d) there are reasonable grounds to believe that the Print and Visual Communication Association 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 organisation including the rules of a branch concerned; and

  (ii) the financial affairs of the Print and Visual Communication Association have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and

  (iii) the financial records of the Print and Visual Communication Association have been kept and maintained in accordance with the RO Act; and

  (iv) where information has been sought in any request by a member of the Print and Visual Communication Association or Commissioner duly made under section 272 of the RO Act has been provided to the member or Commissioner; and

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

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

Signature of prescribed designated officer:

John Georgantzakos

Honorary Treasurer

11 May 2020

Statement of Comprehensive Income

For the year ended 31 December 2019

	Note	2019	2018
Revenue			
Membership subscription		759,204	993,311
Capitation fees	3a	-	-
Levies	3b	-	-
Interest	3c	11,005	32,514
Rental revenue	3d	256,154	148,911
Other income	3f	162,694	33,905
Gain on revaluation of investment property	3g	630,641	-
Total revenue		1,819,698	1,208,641
Other Income			
Grants and/or donations	3e	-	-
Total other income		-	-
Total income		1,819,698	1,208,641
Expenses			
Employee expenses	4a	817,605	1,041,376
Capitation fees	4b	-	-
Affiliation fees	4c	34,229	47,035
Administration expenses	4d	711,077	766,478
Grants or donations	4e	-	-
Depreciation and amortisation	4f	272,969	145,945
Finance costs	4g	19,442	6,531
Legal costs	4h	25,789	30,479
Audit fees	14	17,850	17,850
Write-down and impairment of assets	4i	-	-
Net losses from sale of assets	4j	-	-
Total expenses		1,898,961	2,055,694
Surplus (deficit) for the year		(79,263)	(847,053)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Gain on revaluation of land and buildings		174,307	-
Total comprehensive income (loss) for the year		95,044	(847,053)

The notes on pages 11 to 43 are an integral part of these financial statements.

Statement of Financial Position

As at 31 December 2019

	Note	**2019**	2018
Assets			
Current assets			
Cash and cash equivalents	5a	**471,215**	370,703
Trade and other receivables	5b	**74,596**	264,193
Other current assets	5c	**149,097**	135,524
Investments	5d	**-**	681,961
Total current assets		**694,908**	1,452,381
Non-current assets			
Land and buildings	6a	**1,600,000**	4,287,158
Plant and equipment	6b	**63,151**	90,337
Right-of-use assets	6c	**113,711**	-
Investment property	6d	**4,185,900**	750,000
Intangibles	6e	**155,401**	196,358
Other non-current assets	6f	**120,230**	121,594
Total non-current assets		**6,238,393**	5,445,447
Total assets		**6,933,301**	6,897,828
Liabilities			
Current liabilities			
Trade payables	7a	**92,263**	37,264
Other payables	7b	**285,121**	463,962
Borrowings	7c	**118,637**	-
Employee provisions	8a	**21,989**	41,309
Total current liabilities		**518,010**	542,535
Non-current liabilities			
Other non-current liabilities	9a	**20,000**	55,046
Total non-current liabilities		**20,000**	55,046
Total liabilities		**538,010**	597,581
Net assets		**6,395,291**	6,300,247
Equity			
Asset revaluation reserve	10a	**368,158**	1,866,610
Retained earnings	10b	**6,027,133**	4,433,637
Total equity		**6,395,291**	6,300,247

The notes on pages 11 to 43 are an integral part of these financial statements.

Statement of Changes in Equity

For the year ended 31 December 2019

	Asset revaluation reserve	Retained earnings	Total equity
Balance as at 1 January 2018	**1,866,610**	**5,280,690**	**7,147,300**
Deficit for the year	-	(847,053)	(847,053)
Balance as at 1 January 2019	**1,866,610**	**4,433,637**	**6,300,247**
Deficit for the year	**-**	**(79,263)**	**(79,263)**
Other comprehensive income for the year	**174,307**	**-**	**174,307**
Transfer to retained earnings on reclassification to investment property	**(1,672,759)**	**1,672,759**	**-**
Closing balance as at 31 December 2019	**368,158**	**6,027,133**	**6,395,291**

The notes on pages 11 to 43 are an integral part of these financial statements.

Statement of Cash Flows

For the year ended 31 December 2019

	Note	2019	2018
Cash flows from operating activities			
Cash receipts from customers		1,348,470	1,159,856
Cash payments to suppliers and employees		(1,797,230)	(2,078,021)
Net cash from (used in) operating activities	11a	(448,760)	(918,165)
Cash flows from investing activities			
Disposal of held to maturity assets		681,961	1,078,686
Interest received from held to maturity assets		11,005	32,514
Payments for investment property		(8,550)	-
Purchase of plant and equipment		(16,022)	(38,684)
Net cash from investing activities		668,394	1,072,516
Cash flows from financing activities			
Repayment of lease liabilities		(119,122)	-
Net cash used in financing activities		(119,122)	-
Net increase in cash and cash equivalents		100,512	154,351
Cash and cash equivalents at 1 January 2019		370,703	216,352
Cash and cash equivalents at 31 December 2019	5a	471,215	370,703

The notes on pages 11 to 43 are an integral part of these financial statements.

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Notes

Notes of the Financial Statements

Note 1. Summary 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 Print and Visual Communication 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 committee of management evaluates estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the entity.

Key estimates

Impairment

The freehold land and buildings and investment properties were independently valued in 2019. Fair value of the properties was determined by using market comparable method. The valuations performed by the valuers were based on active market prices, significantly adjusted for the difference in the nature, location or condition of the specific property.

At 31 December 2019, the committee of management reviewed the key assumptions made by the valuers in 2019. They have concluded that these assumptions remain materially unchanged and are satisfied that carrying amount does not exceed the recoverable amount of land and buildings and investment property at 31 December 2019.

Notes of the Financial Statements

1.3 Significant accounting judgements and estimates (continued)

Useful lives of property, plant and equipment

As described in Note 1.17, the entity reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period.

Key judgements

Employee benefits

For the purpose of measurement, AASB 119: Employee Benefits defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. The entity expects most employees will take their annual leave entitlements within 24 months of the reporting period in which they were earned, but this will not have a material impact on the amounts recognised in respect of obligations for employees' leave entitlements.

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.

The accounting policies adopted are consistent with those of the previous financial year except for the following standards and amendments, which have been adopted for the first time this financial year:

AASB 15 Revenue from Contracts with Customers

The reporting entity has adopted AASB 15 from 1 January 2019.

The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

Impact on adoption
The adoption of this standard did not have an impact on the reporting entity.

Notes of the Financial Statements

1.4 New Australian Accounting Standards (continued)

Adoption of New Australian Accounting Standard requirements (continued)

AASB 16 Leases

The reporting entity has adopted AASB 16 *Leases* from 1 January 2019.

The standard replaces AASB 117 Leases, AASB Interpretation 4 Determining whether an Arrangement contains a Lease, AASB Interpretation-115 Operating Leases-Incentives and AASB Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease and for lessees eliminates the classifications of operating leases and finance leases.

Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs).

In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

Impact on adoption

On initial application of AASB 16, the reporting entity has elected to record right-of-use assets based on the corresponding lease liability in the statement of financial position as at 1 January 2019. Using the simplified approach, right-of-use assets and lease obligations of $237,759 were recorded.

AASB 1058 Income of Not-for-Profit Entities

The reporting entity has adopted AASB 1058 *Income of Not-for-Profit Entities* from 1 January 2019. The standard replaces AASB 1004 'Contributions' in respect to income recognition requirements for not-for-profit entities. The timing of income recognition under AASB 1058 is dependent upon whether the transaction gives rise to a liability or other performance obligation at the time of receipt.

Income under the standard is recognised where: an asset is received in a transaction, such as by way of grant, bequest or donation; there has either been no consideration transferred, or the consideration paid is significantly less than the asset's fair value; and where the intention is to principally enable the entity to further its objectives. For transfers of financial assets to the reporting entity which enable it to acquire or construct a recognisable non-financial asset, the

Notes of the Financial Statements

Adoption of New Australian Accounting Standard requirements (continued)

reporting entity must recognise a liability amounting to the excess of the fair value of the transfer received over any related amounts recognised. Related amounts recognised may relate to contributions by owners, AASB 15 revenue or contract liability recognised, lease liabilities in accordance with AASB 16, financial instruments in accordance with AASB 9, or provisions in accordance with AASB 137. The liability is brought to account as income over the period in which the reporting entity satisfies its performance obligation. If the transaction does not enable the

AASB 1058 Income of Not-for-Profit Entities (continued)

reporting entity to acquire or construct a recognisable non-financial asset to be controlled by the reporting entity, then any excess of the initial carrying amount of the recognised asset over the related amounts is recognised as income immediately.

Impact on adoption

The adoption of this standard did not have an impact on the reporting entity.

Future Australian Accounting Standards Requirements

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the reporting entity for the annual reporting period ended 31 December 2019. The impact of these new or amended Accounting Standards and Interpretations is not expected to be significant on the reporting entity.

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.

Revenue is recognised at an amount that reflects the consideration to which the reporting entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the reporting entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any loss allowance due to expected credit losses at each reporting date. A provision matrix that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment has been established.

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

Notes of the Financial Statements

Revenue (continued)

Other revenue is recognised when it is received or when the right to receive payment is established.

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

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

1.6 Gains

Sale of assets

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

1.7 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.

1.8 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.

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

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

1.9 Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the reporting entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

Notes of the Financial Statements

Right-of-use assets (continued)

The reporting entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

1.10 Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the reporting entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

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.

1.13 Financial instruments

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

1.14 Financial assets

Initial recognition and measurement
Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Print and Visual Communication Association's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Print and Visual Communication Association initially

Notes of the Financial Statements

1.14 Financial assets (continued)

measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' (**SPPI**) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Print and Visual Communication Association's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Print and Visual Communication Association commits to purchase or sell the asset.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in five categories:

- (Other) financial assets at amortised cost
- (Other) financial assets at fair value through other comprehensive income
- Investments in equity instruments designated at fair value through other comprehensive income
- (Other) financial assets at fair value through profit or loss
- (Other) financial assets designated at fair value through profit or loss

Financial assets at amortised cost
The Print and Visual Communication Association measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Print and Visual Communication Association's financial assets at amortised cost includes trade and other receivables.

Notes of the Financial Statements

1.14 Financial assets (continued)

Financial assets at fair value through profit or loss (including designated)

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

Derecognition

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired or
- The Print and Visual Communication Association has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
    a) the Print and Visual Communication Association has transferred substantially all the risks and rewards of the asset, or
    b) the Print and Visual Communication Association has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Print and Visual Communication Association has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Print and Visual Communication Association continues to recognise the transferred asset to the extent of its continuing involvement together with associated liability.

Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Impairment

Trade receivables

For trade receivables that do not have a significant financing component, the Print and Visual Communication Association applies a simplified approach in calculating expected credit losses (ECLs) which requires lifetime expected credit losses to be recognised from initial recognition of the receivables.

Notes of the Financial Statements

Trade receivables (continued)

Therefore, the Print and Visual Communication Association does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Print and Visual Communication Association has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

ECLs are recognised in two stages:

Where there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses from possible default events within the next 12-months (a 12-month ECL).

Where there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the debt, irrespective of the timing of the default (a lifetime ECL).

The Print and Visual Communication Association considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Print and Visual Communication Association may also consider a financial asset to be in default when internal or external information indicates that the Print and Visual Communication Association is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

1.15 Financial liabilities

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, at amortised cost unless designated at fair value through profit or loss.

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

The Print and Visual Communication Association financial liabilities include trade and other payables and lease liabilities.

Subsequent measurement

Financial liabilities at fair value through profit or loss (including designated)
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Gains or losses on liabilities held for trading are recognised in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in AASB 9 are satisfied.

Notes of the Financial Statements

1.15 Financial liabilities (continued)

Financial liabilities at amortised cost

After initial recognition, trade payables and interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts 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.

Notes of the Financial Statements

1.17 Land, buildings, plant and equipment (continued)

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:

	2019	2018
Land & buildings	**40 years**	40 years
Plant and equipment	**5 to 13 years**	5 to 13 years

De-recognition

An item of land, buildings, plant and equipment is derecognised 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 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.

1.19 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. 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. The useful life of the Print and Visual Communication Association intangible assets are:

	2019	2018
Intangibles	**3 to 5 years**	3 to 5 years

Notes of the Financial Statements

1.19 Intangibles (continued)

De-recognition

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.

1.20 Impairment of non-financial assets

All assets are assessed for impairment at the end of each reporting period to the extent that there is an impairment trigger. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the Print and Visual Communication Association were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

1.21 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs of disposal.

1.22 Taxation

The Print and Visual Communication 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 statement of cash flows 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.

Notes of the Financial Statements

1.23 Fair value measurement

The Print and Visual Communication Association measures financial instruments, such as, financial asset as at fair value through the profit and loss, financial assets at fair value through OCI, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 16A.

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

The principal or the most advantageous market must be accessible by the Print and Visual Communication 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 Print and Visual Communication 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 Print and Visual Communication 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 Print and Visual Communication 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.

Notes of the Financial Statements

1.24 Prior period error

The prior year accounts were restated to rectify an error noted on reconciliation of GST accounts. The restatement resulted in an increase in GST liability of $61,452 and a decrease to membership subscription revenue of the same amount for the year ended 31 December 2018.

Note 2. Events after the reporting period

At the date of authorisation of the financial report the reporting entity is continuing to monitor and respond to the effects of the COVID-19 virus. Any potential financial effect of the virus is unknown. No other events that occurred after 31 December 2019, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Print and Visual Communication Association.

Note 3. Income

	2019	2018
3a - Capitation fees		
Capitation fees	-	-
3b – Levies		
Levies	-	-
3c - Interest		
Deposits	11,005	32,514
3d – Rental revenue		
Properties	256,154	148,911
3e - Grants or donations		
Grants	**-**	-
Donation	**-**	-
Total grants or donations	**-**	-

Notes of the Financial Statements

Note 3. Income (continued)

	2019	2018
3f - Other income		
Regional events and awards	127,449	1,787
Sponsorship	-	-
Staff services	-	-
Commissions	-	-
Directors fees	30,857	-
Sundry	4,388	32,118
Total other income	162,694	33,905
3g – Gain on revaluation of investment property		
Gain on revaluation of investment property	630,641	-
3h – Revenue from recovery of wage activity		
Amounts recovered from employees in respect of wages	-	-
Interest received on recovered money	-	-
Total revenue from recovery of wages activity	-	-

Note 4. Expenses

	2019	2018
4a - Employee expenses		
Holders of office:	-	-
Employees other than office holders:		
Wages and salaries	743,694	840,454
Superannuation	65,963	75,983
Leave and other entitlements	(19,320)	28,275
Separation and redundancies	25,674	57,152
Recruitment	-	3,394
Other employee expenses	1,594	36,118
Subtotal employee expenses other than office holders	817,605	1,041,376
Total employee expenses	817,605	1,041,376
4b - Capitation fees		
Capitation fees	-	-

Notes of the Financial Statements

Note 4. Expenses (continued)

4c - Affiliation fees

	2019	2018
Associations Forum	848	-
Australian Chamber of Commerce and Industry	29,750	38,535
Australian Institute of Company Directors	275	-
Australian Packaging Covenant	100	-
Intergraf	2,256	-
Two Sides Australia	-	7,500
Victorian Congress of Employer Association	1,000	1,000
Total affiliation fees	34,229	47,035

4d - Administration expenses

	2019	2018
Total paid to employers for payroll deductions of membership subscriptions	-	-
Compulsory levies	-	-
Fees/allowances - meeting and conferences	-	-
Bad debts	-	-
Doubtful debts	-	-
Conference and meeting expenses - staff	8,655	5,286
Board meeting expenses	25,833	16,502
Contractors and consultants	207,478	198,054
Property expenses	58,061	96,969
Office expenses	52,045	50,809
Repairs and maintenance	5,770	4,962
Travel	114,599	79,347
Information technology	110,625	106,793
Insurance	20,475	22,219
Subscriptions	8,486	3,836
Exhibitions	436	2,377
Entertainment	-	4,123
Equipment rental	12,582	12,439
Other	59,149	18,844
Subtotal administration expense	684,194	622,560
Operating lease rentals:		
Minimum lease payments	26,883	143,918
Total administration expenses	711,077	766,478

Notes of the Financial Statements

Note 4. Expenses (continued)

	2019	2018
4e - Grants or donations		
Grants:		
Total expensed that were $1,000 or less	**-**	-
Total expensed that exceeded $1,000	**-**	-
Donations:		
Total expensed that were $1,000 or less	**-**	-
Total expensed that exceeded $1,000	**-**	-
Total grants and donations	**-**	-
4f - Depreciation and amortisation		
Depreciation		
Land and buildings	**64,715**	64,500
Property, plant and equipment	**27,697**	28,938
Right-of-use assets	**124,048**	-
Total depreciation	**216,460**	93,438
Amortisation		
Software and websites	**56,509**	52,507
Total amortisation	**56,509**	52,507
Total depreciation and amortisation	**272,969**	145,945
4g - Finance costs		
Bank charges	**9,919**	6,531
Interest expense – right of use asset	**8,271**	-
Interest expense - other	**1,252**	-
	19,442	6,531
4h - Legal costs		
Litigation	**-**	-
Other legal matters	**25,789**	30,479
	25,789	30,479

Notes of the Financial Statements

Note 4. Expenses (continued)

	2019	2018
4i - Write-down and impairment of assets		
Other	-	-
4j - Net losses from sale of assets		
Plant and equipment	-	-
4k - Other expenses		
Penalties - via RO Act or the Fair Work Act 2009	**-**	-

Notes of the Financial Statements

Note 5. Current assets

	2019	2018
5a - Cash and cash equivalents		
Cash at bank	471,215	370,703
5b - Trade and other receivables		
Trade receivables		
Trade receivables	52,773	237,486
Allowance for expected credit losses	-	-
Total trade receivables	52,773	237,486
Other receivables		
Other receivables	-	1,551
GST receivable	21,823	25,156
Total other receivables	21,823	26,707
Total trade and other receivables	74,596	264,193
5c - Other current assets		
Prepayments	90,683	77,627
Regional Activities (PICA / NPA)	50,293	41,971
Landlord lease incentive receivable	7,617	15,926
Rental Property Holding Account	341	-
Accrued interest	163	-
Total other current assets	149,097	135,524
5d - Other investments		
Amortised cost – term deposits	-	681,961

Notes of the Financial Statements

Note 6. Non-current assets

	2019	2018
6a - Land and buildings		
Land and buildings:		
At fair value	1,600,000	4,521,658
Accumulated depreciation	-	(234,500)
Total land and buildings	1,600,000	4,287,158

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

	2019	2018
As at 1 January		
Gross book value	4,521,658	4,510,000
Accumulated depreciation and impairment	(234,500)	(170,000)
Net book value 1 January	4,287,158	4,340,000
Additions:		
Revaluation increment recognised in other comprehensive income	174,307	-
By purchase	-	11,658
Transfer to investment property	(2,796,750)	-
Depreciation expense	(64,715)	(64,500)
Net book value 31 December	1,600,000	4,287,158
Net book value as of 31 December represented by:		
Gross book value	1,600,000	4,521,658
Accumulated depreciation and impairment	-	(234,500)
Net book value at 31 December	1,600,000	4,287,158

Fair value of the property was determined by using market comparable method. This means that valuation performed by the valuer is based on active market prices, significantly adjusted for the difference in the nature, location or condition of the specific property. As at the date of revaluation, the property's fair values is based on valuation performed by an accredited independent valuer, summarised below.

Details of valuation are as below:

Property at	Valuer	Valuation date	Valuation
Victoria	Herron Todd White	17 February 2020	$1,600,000

Notes of the Financial Statements

Note 6. Non-current assets (continued)

6b - Plant and equipment

	2019	2018
Plant and equipment:		
At cost	**308,934**	308,423
Accumulated depreciation	**(245,783)**	(218,086)
	63,151	90,337

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

	2019	2018
As at 1 January		
Gross book value	**308,423**	355,548
Accumulated depreciation and impairment	**(218,086)**	(189,148)
Net book value 1 January	**90,337**	166,400
Additions:		
By purchase	**511**	2,193
Transfer to intangible assets	**-**	(49,318)
Depreciation expense	**(27,697)**	(28,938)
Disposals	**-**	-
Net book value 31 December	**63,151**	90,337
Net book value as of 31 December represented by:		
Gross book value	**308,934**	308,423
Accumulated depreciation and impairment	**(245,783)**	(218,086)
Gross book value 31 December	**63,151**	90,337

6c – Right-of-use assets

	2019	2018
Right-of-use assets - Building	**237,759**	-
Accumulated depreciation	**(124,048)**	-
	113,711	-

Notes of the Financial Statements

Note 6. Non-current assets (continued)

	2019	2018
6d – Investment property		
Closing balance as at 31 December	**4,185,900**	750,000

Reconciliation of the opening and closing balances of investment property:

	2019	2018
Gross book value as at 1 January	**750,000**	750,000
Additions		
By purchase	**8,509**	-
Transfers from property, plant and equipment	**2,796,750**	-
Net gain from fair value adjustment recognised in profit and loss	**630,641**	-
Net book value 31 December	**4,185,900**	750,000

The valuations were performed by accredited independent valuers with a recognised and relevant professional qualification and with recent experience in the location and category of the investment property being valued, summarised below:

Details of valuation are as below:

Property at	Valuer	Valuation date	Valuation
Queensland	Diane Hunt, Registered Valuer	28 January 2020	$850,000
South Australia	Valuations SA	31 January 2020	$700,000
Western Australia	Diane Hunt, Registered Valuer	19 February 2020	$2,635,900

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. During the year and as at the year-end, no restrictions on the realisability of investment property or the remittance of income and proceeds of disposal were present.

Rental income earned and received from the investment properties during the year was $76,551.

Notes of the Financial Statements

Note 6. Non-current assets (continued)

	2019	2018
6e - Intangibles		
Software and website:		
At cost	**290,158**	274,607
Accumulated amortisation	**(134,757)**	(78,249)
	155,401	196,358

Reconciliation of the opening and closing balances of intangibles:

As at 1 January		
Gross book value	**274,607**	200,448
Accumulated amortisation and impairment	**(78,249)**	(25,734)
Net book value 1 January	**196,358**	174,714
Additions:		
By purchase	**15,552**	24,833
Transfer from property, plant and equipment	**-**	49,318
Amortisation expense	**(56,509)**	(52,507)
Net book value 31 December	**155,401**	196,358
Net book value as of 31 December represented by		
Gross book value	**290,158**	274,607
Accumulated depreciation and impairment	**(134,757)**	(78,249)
Net book value 31 December	**155,401**	196,358

Notes of the Financial Statements

Note 6. Non-current assets (continued)

6f - Other non-current assets

	2019	2018
Security deposits	116,230	113,594
Make-good provision	4,000	8,000
	120,230	121,594

Note 7. Current liabilities

7a - Trade payables

	2019	2018
Trade creditors and accruals	92,263	37,264

Settlement is usually made within 30 days.

7b – Other payables

	2019	2018
Superannuation	6,563	5,005
Group tax and payroll tax	31,403	34,148
Unearned revenue	157,906	293,921
GST payable	54,202	92,655
Lease incentive liability	35,047	38,233
Total other payables - current	285,121	463,962

7c - Borrowings

	2019	2018
Lease liability – right of use asset	118,637	-
	118,637	-

Notes of the Financial Statements

Note 8. Provisions

	2019	2018
8a – Employee provisions		
Office holders:	-	-
Employees other than office holders:		
Annual leave	21,989	41,309
Long service leave	-	-
Separations and redundancies	-	-
Subtotal employee provisions - employees other than office holders	**21,989**	**41,309**
Total employee provisions	**21,989**	**41,309**
Represented as:		
Current	21,989	41,309
Non-current	-	-
Total employee provisions	**21,989**	**41,309**

Note 9. Non-current liabilities

9a – Other non-current liabilities

	2019	2018
Lease incentive liability	-	35,046
Make good provision	20,000	20,000
Total other non-current liabilities	**20,000**	**55,046**

Notes of the Financial Statements

Note 10. Equity

	2019	2018
10a – Asset revaluation reserve		
Balance as at start of year	**1,866,610**	1,866,610
Other comprehensive income	**174,307**	-
Transfer from asset revaluation reserve to retained earnings	**(1,672,759)**	-
Balance as at end of year	**368,158**	1,866,610
10b – Retained earnings		
Balance as at start of year	**4,433,637**	5,280,690
Loss for the year	**(79,263)**	(847,053)
Transfer to retained earnings from asset revaluation reserve	**1,672,759**	-
Balance as at end of year	**6,027,133**	4,433,637
10c - Funds		
Compulsory levy/voluntary contribution fund	**-**	-

Notes of the Financial Statements

Note 11. Notes to the Statement of Cash Flows

	2019	2018
11a - Cash flow reconciliation		
Reconciliation of profit/(deficit) to net cash from operating activities:		
Profit/(deficit) for the year	**(79,263)**	(847,053)
Less items classified as investing/financing activities:		
Interest on held to maturity asset	**(11,005)**	(32,514)
Adjustments for non-cash items:		
Depreciation and amortisation	**272,969**	145,945
Revaluation increment recognised in profit and loss	**(630,641)**	-
Changes in assets/liabilities		
(Increase)/decrease in net receivables	**189,597**	(185,387)
(Increase)/decrease in other assets	**(12,209)**	(28,212)
(Increase)/decrease in other payables	**(22,873)**	(34,116)
(Increase)/decrease in unearned revenue	**(136,015)**	34,897
(Increase)/decrease in provisions	**(19,230)**	28,275
Net cash from (used in) operating activities	**(448,760)**	(918,165)

11b - Cash flow information

Cash inflows - Print and Visual Communication Association	**2,041,436**	2,271,056
Cash outflows - Print and Visual Communication Association	**(1,940,924)**	(2,116,705)

Notes of the Financial Statements

Note 12. Contingent liabilities and commitments

12a - Commitments and contingencies

Operating lease commitments—as lessee

Office Equipment leases

Future minimum rentals payable under non-cancellable operating leases:

	2019	2018
Within one year	**15,005**	14,700
After one year but not more than five years	**-**	15,005
More than five years	**-**	-
	15,005	29,705

Office Premises leases

Future minimum rentals payable under non-cancellable operating leases:

	2019	2018
Within one year	**-**	168,366
After one year but not more than two years	**-**	154,335
Later than two years but not later than 5 years	**-**	-
Later than 5 years	**-**	-
	-	322,701

Other contingent assets or liabilities

Not applicable.

Notes of the Financial Statements

Note 13. Related party transactions

13a - Related party disclosures

The Board members of the Print and Visual Communication 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 Print and Visual Communication Association and who pays an annual subscription for that membership under normal commercial conditions.

13b - Key management personnel compensation

	2019	2018
Short-term employee benefits:		
Salary (including annual leave taken)	**365,000**	416,473
Annual leave accrued	**(8,582)**	21,116
Long service leave paid	**-**	-
Performance bonus	**63,490**	61,220
Total short-term employee benefits	**419,908**	498,809
Post-employment benefits:		
Superannuation	**40,707**	43,259
Total post-employment benefits	**40,707**	43,259
Other long-term benefits:		
Long-service leave accrued	**-**	-
Total other long-term benefits	**-**	-
Termination benefits		
Redundancy	**-**	39,345
Total termination benefits	**-**	39,345

13c - Transactions with key management personnel and their close family members

Loans to/from key management personnel	**-**	-
Other transactions with key management personnel	**-**	-

Notes of the Financial Statements

Note 14. Remuneration of auditors

	2019	2018
Value of the services provided:		
Financial statement audit services	17,850	17,850
Other services	-	-
Total remuneration of auditors	17,850	17,850

No other services were provided by the auditors of the financial statements.

Note 15. Financial instruments

	2019	2018
15a – Categories of financial instruments		
Financial assets		
Cash and cash equivalents	471,215	370,703
Investments at amortised cost:		
Term deposits	-	681,961
Total	471,215	1,052,664
Loans and receivables:		
Trade debtors	52,773	237,486
Total	52,773	237,486
Carrying amount of financial assets	523,988	1,290,150
Financial liabilities		
Trade creditors	92,263	37,264
Lease liability – right of use asset	118,637	-
Total	210,900	37,264
Carrying amount of financial liabilities	210,900	37,264

15b - Net income and expense from financial Assets

	2019	2018
Amortised cost:		
Net gain - interest revenue	11,005	32,514
Loans and receivables:		
Net gain (loss) - impairment for doubtful debts	-	-

Notes of the Financial Statements

Note 15. Financial instruments (continued)

	2019	2018

15c - Credit risk

Credit risk:

The carrying amount of the Print and Visual Communication Association's financial assets represents the maximum credit exposure. The Print and Visual Communication Association's maximum exposure to credit risk at the reporting date was $52,773 (2018: $237,486) 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 Print and Visual Communication Association does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Print and Visual Communication Association. The Print and Visual Communication 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 Print and Visual Communication Association does not require collateral in respect of financial assets.

15d – Market risk

Market risks generally relate to Interest rate risk

The Print and Visual Communication 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:

	2019	2018
Financial assets:		
Cash (2019: -%, 2018: - %)	471,215	370,703
Receivables	52,773	237,486
Investments (2019: N/A, 2018: 2.09%)	-	681,961
	523,988	1,290,150
Financial liabilities:		
Trade creditors	92,263	37,264

Notes of the Financial Statements

Note 16. Fair value measurement

16a - Financial assets and liabilities

Management of the Print and Visual Communication 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.

16b – Non-Financial assets and liabilities

The Print and Visual Communication 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 1.23 for the definition of Level 2 and note 6 non-current assets for details on the valuation techniques and inputs.

Note 17. 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 Commissioner:

1) A member of the Print and Visual Communication Association, or the Commissioner, may apply to the Print and Visual Communication Association for specified prescribed information in relation to the Print and Visual Communication Association 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 Print and Visual Communication Association.
3) Print and Visual Communication Association must comply with an application made under subsection (1).

Officer Declaration Statement

I, John Georgantzakos, being the Honorary Treasurer of the Print and Visual Communication Association, declare that the following activities did not occur during the reporting period ending 31 December 2019.

The reporting unit did not:

- agree to receive financial support from another reporting unit to continue as a going concern (refers to agreement regarding financial support not dollar amount)
- agree to provide financial support to another reporting unit to ensure they continue as a going concern (refers to agreement regarding financial support not dollar amount)
- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- receive any other revenue from another reporting unit
- pay any other expense to another reporting unit
- have a receivable with other reporting unit(s)
- have a payable with other reporting unit(s)
- have a payable to an employer for that employer making payroll deductions of membership subscriptions
- have a payable in respect of legal costs relating to litigation
- have a payable in respect of legal costs relating to other legal matters
- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- provide cash flows to another reporting unit and/or controlled entity
- receive cash flows from another reporting units and/or controlled entity
- have another entity administer the financial affairs of the reporting unit
- make a payment to a former related party of the reporting unit

Signed by the officer:

John Georgantzakos

Honorary Treasurer

11 May 2020

hill rogers

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PRINT AND VISUAL COMMUNICATION ASSOCIATION

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Print and Visual Communication Association (the Reporting Unit), which comprises the statement of financial position as at 31 December 2019, 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, the subsection 255(2A) report, the Committee of Management Statement and the Officer Declaration Statement.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Reporting Unit as at 31 December 2019, 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.

- 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 auditor registered under the RO Act.

Hill Rogers
Assurance Partners

Vishal Modi

Vishal Modi

Registration number (as registered by the RO Commissioner under the RO Act): **AA2019/20**

Dated at Sydney this 11th day of May 2020