



ANNUAL REPORT 2018/19

**Presented at the Annual General Meeting
19 September 2019**



OFFICE HOLDERS 2018/19

PRESIDENT

David Gurr

Pax Australia

VICE PRESIDENT

John Tarrant

Jamestrong Packaging

TREASURER

Paul Wynn-Hatton

Dynamic Innovations

EXECUTIVE COMMITTEE

Bruce Gascoigne

DuluxGroup

Adam Booth

NCI Packaging

Geoff Grose

Precision Global

Lindsay Showyin

Frentaupe

Leanne Wilkins

Australasian Solvents & Chemicals
Company (ASCC)

David Cowper

Ensign Laboratories
(Immediate Past President)

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President's Report 2018/19

The Aerosol Association has continued to work hard in representing its members and the industry in these quite difficult economic times.

Low growth and interest rates, combined with increases in manufacturing costs (especially power) have resulted in a challenging business environment. The fall in the value of the AUD has also driven up raw material costs, but made local manufacturing more competitive and is resulting in some production moving back on shore.

Within this environment, the biggest challenges relating to the Aerosol industry lie in Product Safety and Recycling & Disposal. Over the last 12 months there have been several product recalls for aerosol products, and the Association stands ready to assist any member who may find themselves in that situation. We are fortunate that several members have granted us permission to share their learnings from such events to assist the industry as a whole.

Recycling & Disposal has become a massive topic. In August the Council of Australian Governments (COAG) met to discuss the issue of recycling and waste (refer below from the minutes). Although aerosols were not specifically mentioned, we need to closely monitor this topic

“Leaders agreed Australia should establish a timetable to ban the export of waste plastic, paper, glass and tyres, while building Australia’s capacity to generate high value recycled commodities and associated demand”

There have also been a number of fires and explosions in waste and disposal companies in Australia in which the aerosol can has been blamed or implicated, but the real cause has been a lack of investment by those companies in proper safety and handling, and the Association is ensuring we point out the facts.

To this extent, our Executive Director Philip Fleming has been in touch with / contacted / attended / represented us with a vast number of organisations over the last 12 months, most recently presenting at the annual conference of the AIDGC on the topic of Aerosols in Storage. Philip does a sterling job in ensuring our Association is included and respected in industry and government discussions.

The Executive team and the various Working Groups have worked hard this year with the focus especially on Industry/Regulatory but also in the pillars of Asian Future, Market Advocacy and Training. In October this year, the Association will be represented in the ILC and AAF meetings in Japan, in which the topic of Recycling will be a major talking point (it is a global issue).

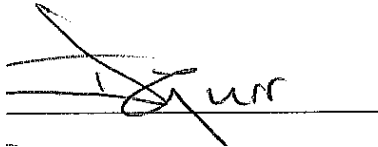
The Association has just moved offices, from a shared premises in Epping to a site in the city centre. This gives Philip better access to the people he needs to meet, and also is a cost savings in terms of rent and logistics.

Financially the Association continues to remain sound so we can continue to provide the services and training for our members.

Speaking of which, I am pleased to announce our major event for 2020. Following on from the successful event in 2017, we will be holding a 3 day 'AEROSOL 2020' event, comprising of training programs, factory tours, a Forum (involving international speakers – highlight of 2017) and culminating in the Aerosol Awards Dinner. Dates are set for Tuesday March 31st – Thursday April 2nd so please note these dates in your calendar.

The Organising Committee has already started the preparations and we will forward more information shortly (suffice to say the venues will again showcase Sydney harbour).

As I noted when I assumed the Presidency at last Year's Annual Meeting, I would like to thank David Cowper for his time as President and he continues to provide great support on the Executive Committee. I would also like to thank all the members of the Committee for providing their time and expertise over the past year and look forward to your continued support over the exciting/challenging 12 months ahead of us!

A handwritten signature in black ink, appearing to read 'D Gurr', is written over a horizontal line.

David Gurr

PRESIDENT

AEROSOL ASSOCIATION OF AUSTRALIA INCORPORATED

[ABN 48 340 393 765]

Registered Under the Associations Incorporations Act 2009 in NSW

***FINANCIAL REPORT* FOR THE YEAR ENDED 31 MARCH 2019**

**Registered Office
Suite 604, 51 Rawson Street
Epping NSW 2121**

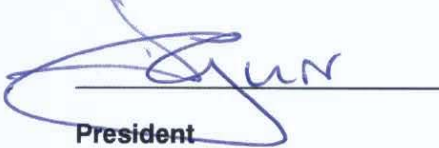
AEROSOL ASSOCIATION OF AUSTRALIA INCORPORATED

FOR THE YEAR ENDED 31 MARCH 2019

COMMITTEE' DECLARATION

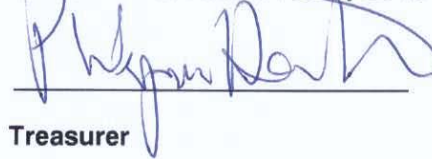
The Committee of the Aerosol Association of Australia Incorporated (the "Association") declare that the attached 2019 financial statements of the Association, comprising the Statement of Profit or Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Funds, Statement of Cash Flows and notes to and forming part of the financial statements of the Association, present a true and fair view of the financial position of Aerosol Association Of Australia Incorporated as at 31 March 2019, and the results of its operations for the year then ended in accordance with Australian Accounting Standards – Reduced Disclosure Standards and the Associations Incorporations Act 2009 and Regulations 2016.

This declaration is made in accordance with a resolution of the Committee dated 18 July 2019.



Handwritten signature in blue ink, appearing to read 'Gunn', written over a horizontal line.

President



Handwritten signature in blue ink, appearing to read 'Philip Daulton', written over a horizontal line.

Treasurer

AEROSOL ASSOCIATION OF AUSTRALIA INCORPORATED

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2019**

	Note	2019	2018
		\$	\$
REVENUES FROM ORDINARY ACTIVITIES			
Membership Subscriptions		204,705	198,695
Income – Technology Training Course		16,412	-
Interest Received		12,731	12,480
Other income		31	-
Secretariat Services			
- AANZ		2,500	2,500
TOTAL REVENUE	3	<u>236,379</u>	<u>213,675</u>
 EXPENSES			
Administration expenses	4	234,043	242,315
Finance costs		197	180
TOTAL EXPENSES		<u>234,240</u>	<u>242,495</u>
 OPERATING SURPLUS (DEFICIT)		<u>2,139</u>	<u>(28,820)</u>
 Other Comprehensive Income		-	-
 TOTAL COMPREHENSIVE INCOME (DEFICIT)		<u>2,139</u>	<u>(28,820)</u>

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

AEROSOL ASSOCIATION OF AUSTRALIA INCORPORATED

**STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2019**

	Note	2019 \$	2018 \$
CURRENT ASSETS			
Cash	5	1,448	250
Investments	6	547,992	535,919
Receivables	7	3,128	19,024
Other Financial Assets	8	6,892	6,873
		<u>559,460</u>	<u>562,066</u>
NON-CURRENT ASSETS			
Property Plant and Equipment	9	20,338	24,778
TOTAL ASSETS		<u>579,798</u>	<u>586,844</u>
CURRENT LIABILITIES			
Payables	10	14,494	15,288
Provisions - Annual Leave	11	(708)	7,787
Provision - Long Service Leave	11	50,265	50,161
		<u>64,051</u>	<u>73,236</u>
NON-CURRENT LIABILITIES		<u>-</u>	<u>-</u>
TOTAL LIABILITIES		<u>64,051</u>	<u>73,236</u>
NET ASSETS		<u><u>515,747</u></u>	<u><u>513,608</u></u>
FUNDS			
Funds	12	515,747	513,608
TOTAL FUNDS		<u><u>515,747</u></u>	<u><u>513,608</u></u>

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

AEROSOL ASSOCIATION OF AUSTRALIA INCORPORATED

**STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED 31 MARCH 2019**

	2019	2018
	\$	\$
Funds		
Balance at Beginning of Financial Year	513,608	542,428
Operating Surplus (Deficit)	2,139	(28,820)
Balance at End of Financial Year	<u>515,747</u>	<u>513,608</u>

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

AEROSOL ASSOCIATION OF AUSTRALIA INCORPORATED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2019**

	Note	2019 \$	2018
<u>Cash Flows from Operating Activities</u>			
Receipts from Members & Customers		263,498	279,094
Interest Received		12,516	11,810
Payments to Suppliers and Employees		<u>(262,743)</u>	<u>(358,729)</u>
Net cash provided by/(used in) Operating Activities	13(ii)	<u>13,271</u>	<u>(67,825)</u>
<u>Cash Flows from Investing Activities</u>			
Redemption of (Investment in) Investments		(12,073)	57,891
Purchase of Property Plant and Equipment		-	-
Proceeds on Sale of Plant and Equipment		<u>-</u>	<u>-</u>
Net Cash (used in)/provided by Investing Activities		<u>(12,073)</u>	<u>57,891</u>
<u>Cash Flows from Financing Activities</u>			
Net Increase/(Decrease) in Cash Held		<u>1,198</u>	<u>(9,934)</u>
Cash at 1 April 2018		250	10,184
Cash at 31 March 2019	13(i)	<u>1,448</u>	<u>250</u>

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

AEROSOL ASSOCIATION OF AUSTRALIA INCORPORATED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

NOTE 1 GENERAL INFORMATION AND STATEMENT OF COMPLIANCE

The financial report includes the financial statements and notes of Aerosol Association of Australia Incorporated ('Association').

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the Associations Incorporations Act 2009 and Regulations 2016. The Association is a not-for-profit entity for the purpose of preparing financial statements under Australian Accounting Standards.

The financial statements for the year ended 31 March 2019 were approved and authorised for issue by the Committee on 18 July 2019.

NOTE 2 SUMMARY OF ACCOUNTING POLICIES

The Basis of Accounting

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets and financial instruments for which the fair value basis of accounting has been applied.

New and amended standards adopted by the Association

The Association has adopted all the amendments to Australian Accounting Standards issued by the Australian Accounting Standards Board, which are relevant to and effective for the Association's financial statements for the annual period beginning 1 April 2018.

None of the amendments have had a significant impact on the Association.

Accounting standards issued but not yet effective and not been adopted early by the Association

Certain new accounting standards and interpretations have been published that are not mandatory for the 31 March 2019 reporting period. These new standards will not have a significant impact on any of the amounts recognised in the financial statements or on the disclosures in relation to the Association.

The following is a summary of the material accounting policies adopted by the Association in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Property, Plant & Equipment

Plant and equipment are brought to account at cost, less any accumulated depreciation or amortisation

The carrying amount of property, plant and equipment is reviewed annually by committee to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

The depreciable assets are depreciated over their useful lives to the economic entity, commencing from the time the asset is held ready for use.

AEROSOL ASSOCIATION OF AUSTRALIA INCORPORATED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

The rates applied to the classes of assets are:

Class	Method	Rate
Furniture & Fittings	Prime Cost	10 – 20%
Motor Vehicles	Prime Cost	12.5%
Computer Equipment	Diminishing Value	40%

The gain or loss on disposal of all property, plant and equipment is determined as the difference between the carrying amount of the asset at the time of disposal and the proceeds of disposal and is included in the results in the year of disposal.

Employee Entitlements

Provision is made for the Association's liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at their normal amount.

Other employee entitlements payable later than one year have been measured at the present value of the estimates future cash outflows to be made for those entitlements. The Association has taken up the provision for long service leave for employees after 5 years' service, to reflect the proportion of benefits payable after 10 years' service.

Income Tax

No income tax has been provided for in the accounts as the committee believe the Association is exempt from income tax under Section 50.40 of the Income Tax Assessment Act 1997 and that this exemption will continue in the future.

Subscriptions from Members

Subscriptions are accounted for as income in the period to which they relate. Subscriptions received in advance for future periods are brought to account as a current liability. Subscriptions outstanding are not brought to account where recoverability is not assured.

Conferences and Activities

Receipts for attendance to conferences and other activities are accounted for as income in the period to which the event is to be held. Subscriptions received in advance for future periods are brought to account as Unearned Income and a current liability. Receipts expected but outstanding are not brought to account where recoverability is not assured.

Interest Income

Interest received on term investments reflect amounts received and receivable in relation to balance date. Interest Receivable is taken up in current assets as amounts receivable.

Financial Instruments

The Association classifies its financial assets into the following categories:

1. financial assets at fair value through profit or loss,
2. amortised cost, and
3. financial assets at fair value through other comprehensive income (previously available-for-sale financial assets).

AEROSOL ASSOCIATION OF AUSTRALIA INCORPORATED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

Financial assets and liabilities are initially measured at fair value plus transaction costs unless they are carried at fair value through profit or loss in which case the transaction costs are recognised in the income statement.

Purchases and sales of investments are recognised on trade-date, the date on which the Association commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Association has transferred substantially all the risks and rewards of ownership.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance date. The quoted market price used is the current bid price.

The categories of financial assets are:

- ***Financial assets at fair value through profit or loss***

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the Statement of Financial Position date.

After initial recognition they are measured at their fair values. Gains or losses on re-measurement are recognised in the income statement.

- ***Financial assets at amortised cost***

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL or FVOCI): they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows, the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding. After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Association's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments as well as long-term deposit that were previously classified as held-to-maturity under AASB 139.

- ***Financial assets classified as fair value through other comprehensive income (FVOCI)***

Investments in equity instruments that are not held for trading are eligible for an irrevocable election at inception to be measured at FVOCI. Under FVOCI, subsequent movements in fair value are recognised in other comprehensive income and are never reclassified to profit or loss. Dividend from these investments continue to be recorded as other income within the profit or loss unless the dividend clearly represents return of capital. This category was previously classified as 'available-for-sale'.

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the reporting date.

Impairment of financial assets

At each balance date the Association assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in the income statement. The Association considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between: financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1'), and financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2'). 'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date. '12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

AEROSOL ASSOCIATION OF AUSTRALIA INCORPORATED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits.

Investments

Investments comprise short-term, highly liquid call deposits and term deposits that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

Leased assets

Finance leases

The economic ownership of a leased asset is transferred to the lessee if the lessee bears substantially all the risks and rewards of ownership of the leased asset. Where the Association is a lessee in this type of arrangement, the related asset is recognised at the inception of the lease at the fair value of the leased asset or, if lower, the present value of the lease payments plus incidental payments, if any. A corresponding amount is recognised as a finance lease liability. Leases of land and buildings are classified separately and are split into a land and a building element, in accordance with the relative fair values of the leasehold interests at the date the asset is recognised initially.

Operating leases

All other leases are treated as operating leases. Where the Association is a lessee, payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

Provisions, contingent liabilities and contingent assets

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation.

No liability is recognised if an outflow of economic resources as a result of present obligation is not probable. Such situations are disclosed as contingent liabilities, unless the outflow of resources is remote in which case no liability is recognised.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST components of investing and financing activities, which are disclosed as operating cash flows.

Significant management judgement in applying accounting policies

The following are significant management judgements in applying the accounting policies of the Association that have the most significant effect on the financial statements. Critical estimation uncertainties are described below.

Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets to the Association. Actual results, however, may vary due to technical and physical obsolescence.

AEROSOL ASSOCIATION OF AUSTRALIA INCORPORATED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

	2019 \$	2018 \$
NOTE 3 - REVENUE		
The Association's revenue may be analysed as follows for each major product and service category:		
Membership subscriptions	204,705	198,695
Technology training course	16,412	-
Other income	31	-
Secretariat services	2,500	2,500
Interest	12,731	12,480
Total Revenue	<u>236,379</u>	<u>213,675</u>

NOTE 4 - ADMINISTRATION EXPENSES

Office Occupancy Costs	17,636	17,122
Staffing Costs	164,434	176,857
Other expenses	37,429	36,376
Depreciation	4,440	4,440
Auditors Remuneration	8,103	7,700
Allowance for credit losses	2,000	-

NOTE 5 - CASH

Cash at Bank	1,448	250
	<u>1,448</u>	<u>250</u>

NOTE 6 - INVESTMENTS

ING Call Account	197,992	185,919
Term Deposit ING	350,000	350,000
	<u>547,992</u>	<u>535,919</u>

NOTE 7 - RECEIVABLES

Trade Receivable	5,328	19,024
Less provision for expected credit loss	(2,000)	-
	<u>3,128</u>	<u>19,024</u>

NOTE 8 - OTHER FINANCIAL ASSETS

Interest Receivable	6,892	6,873
	<u>6,892</u>	<u>6,873</u>

NOTE 9 - PROPERTY PLANT AND EQUIPMENT

Motor Vehicles – Cost	35,613	35,613
Less Provision for Depreciation	(15,275)	(10,835)
	<u>20,338</u>	<u>24,778</u>

Movement in the assets balances during the year were

	Plant & Equipment	Plant & Equipment
Opening balance	24,778	29,218
Purchases in the year	-	-
Less	-	-
Disposal of assets	-	-
Depreciation charge	(4,440)	(4,440)
Balance at the end of the year	<u>20,338</u>	<u>24,778</u>

AEROSOL ASSOCIATION OF AUSTRALIA INCORPORATED

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

	2019	2018
	\$	\$
NOTE 10 – PAYABLES		
Trade Creditors	27	286
Other Creditors	14,467	15,002
	<u>14,494</u>	<u>15,288</u>

	2019	2018
	\$	\$
NOTE 11 – PROVISIONS		
Current		
Provision for Annual Leave	(708)	7,787
Provision for Long Service Leave	50,265	50,161
	<u>49,557</u>	<u>57,948</u>

NOTE 12 - FUNDS		
Total Funds	<u>515,747</u>	<u>513,608</u>
Funds at beginning of Financial Year	513,608	542,428
Operating Surplus/(Deficit)	<u>2,139</u>	<u>(28,820)</u>
Balance of Funds at End of Financial Year	<u>515,747</u>	<u>513,608</u>

AEROSOL ASSOCIATION OF AUSTRALIA INCORPORATED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

NOTE 13 – STATEMENT OF CASH FLOWS

i) Reconciliation of Cash

For the purposes of the statement of cash flows, cash includes cash on hand and in at call deposits with banks, net of outstanding bank overdrafts.

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

	2019 \$	2018 \$
Cash at bank	1,448	250
	<u>1,448</u>	<u>250</u>

	2019 \$	2018 \$
ii) Reconciliation of Cash Flows to Operating Loss		
Operating Surplus (Deficit)	2,139	(28,820)
Non-cash flows in Operating Loss		
Depreciation	4,440	4,440
Charges to provisions Employee Entitlements	(8,391)	9,846
Changes in Assets and Liabilities		
Increase trade debtors	15,896	52,526
Increase in liabilities	(794)	(105,893)
(Increase)/Decrease in prepayments	-	566
Increase in interest receivable	(19)	(490)
Net Cash from operations	<u>13,271</u>	<u>(67,825)</u>

AEROSOL ASSOCIATION OF AUSTRALIA INCORPORATED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

NOTE 14 - CONTINGENT LIABILITIES

There were no material Contingent Liabilities as at 31 March 2019.

NOTE 15 - RELATED PARTY TRANSACTIONS

The names of Committee Members who have held office during the financial year are:

D. Cowper (President)
D. Gurr (Vice President)
P. Wynn-Hatton (Treasurer)
C. Downie
L. Showyin
B. Gascoigne
A. Hengel (to August 2018)
A. Booth (from August 2018)
J. Tarrant
L. Wilkins

The aggregate remuneration of the Committee Members during the year was \$Nil (2018 \$Nil).

There were no amounts paid in connection with the future retirement of a Committee Member to a Superannuation Plan.

There are no other transactions between related parties, other than payment of membership fees.

Key management of the Association is the Executive Director. Key management personnel remuneration includes the following expenses:

	2019	2018
	\$	\$
Total key management personnel remuneration	164,436	176,857

NOTE 16 - SUBSEQUENT BALANCE DATE EVENTS

There are no subsequent balance date events which materially impact on the financial statements and operations of the Association.

NOTE 17 - LEASE COMMITMENTS

	2019	2018
	\$	\$
i) Operating Lease Commitments Being for Rent of Office Payable		
- not later than 1 year	9,022	17,636
- later than 1 year but not later than 2 years	-	8,948
- later than 2 years but not later than 5 years	-	-
- later than 5 years	-	-
	<u>9,022</u>	<u>26,584</u>

Lease expense during the period amounted to \$17,636 (2018: \$17,122) representing the minimum lease payments.

Independent Auditor's Report

To the Members of Aerosol Association of Australia Incorporated

Report on the audit of the financial report

Opinion

We have audited the financial report of Aerosol Association of Australia Incorporated (the "Association"), which comprises the statement of financial position as at 31 March 2019, the statement of profit or loss and other comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Committee declaration.

In our opinion, the financial report of the Aerosol Association of Australia Incorporated has been prepared in accordance with the requirements of the Associations Incorporation Act 2009 (NSW) and Regulation 2016 including:

- a) giving a true and fair view of the Association's financial position as at 31 March 2019 and of its financial performance and cash flows for the year ended on that date, and complying with Australian Accounting Standards – Reduced Disclosure Requirements; and
- b) the Association has kept such financial records as are necessary to enable financial statements to be prepared in accordance with the Australian Accounting Standards.

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 Association 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 our 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.

Responsibilities of the Committee members for the financial report

The Committee members of the Association are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the Associations Incorporation Act 2009 (NSW). This responsibility also includes such internal control as the Committee members determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee members are responsible for assessing the Association'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 members either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

Auditor's responsibilities for the audit of the financial report

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

As part of an audit in accordance with 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee.
- Conclude on the appropriateness of the Committee'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 Registered Entity'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 audit report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance 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.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

James Winter

James Winter
Partner - Audit & Assurance

Sydney, 18 July 2019

Members

3M Australia
Aaron Laboratories
Aerosol Supplies Australia
Aerosolve
Arturo Taverna International
Australasian Solvents and Chemicals Company (ASCC)
AVT Paints
Beiersdorf Australia
Caroline's Sugar Art Services
Cormack Packaging
CRC Industries
DuluxGroup
Dy-Mark (Australia)
Dynamic Innovations
Ensign Laboratories
Frentaupe
GeodisWilson Australia
Henkel Australia
ITW Polymers & Fluids
Jamestrong Packaging
Moorebank Aerosol Fillers
MotorActive
MTi Group
NCI Packaging
Pax Australia
Precision Valve Australia
Profill Industries
Salient Asia-Pacific
SoShells
Spraypack
Sumitomo Chemical Australia
The WD-40 Company
U-Pol Australia
Waproo
Wilmar Bioethanol (Australia)