Print Mail Logistics Limited
ABN 14 103 116 856

Annual Financial Report for the Year Ended 30 June 2013

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The financial statements were authorised for issue by the Board of directors on 12 September 2013. The Board has the power to amend or reissue the report after it has been issued.

Corporate Directory

Directors	John W Woods *Chairman (Non-executive)* Nigel B Elias *Managing Director (Executive)* Robert C Cameron *Director (Non-executive)* Barry K Hamilton *Director (Non-executive)*
Secretaries	Mary-Anne Greaves Adrian J Pereira
Principal registered office in Australia	Ground Floor, 28-30 Davey Street Hobart TAS 7000 +61 3 6220 8444
State of incorporation	New South Wales
Share Registry	Armstrong Registry Services Limited Level 22, 307 Queen Street Brisbane QLD 4000 +61 7 3231 0050
Auditor	Crofts Assurance & Advisory Pty Limited Level 6, 1 Pacific Highway North Sydney NSW 2060
Solicitors	Toomey Maning & Co 30 Davey Street Hobart TAS 7000
Bankers	Australia and New Zealand Banking Group Limited 40 Elizabeth Street Hobart TAS 7000
Stock exchange listings	Print Mail Logistics Limited shares are listed on the National Stock Exchange of Australia (NSX) (Code: PNT).
Website address	www.pml.com.au

Directors' Report

Your Directors present their report on the consolidated entity consisting of Print Mail Logistics Limited (referred to hereafter as "the Company") and its controlled entities (referred to hereafter as "the Group") for the financial year ended 30 June 2013.

Corporate Structure

The Company is limited by shares, incorporated and domiciled in Australia. The Company has prepared a consolidated financial report incorporating the entities that it controlled during the financial year, which are listed in Note 17 of the financial statements.

Principal Activities and Significant Changes in Nature of Activities

The Company's principal activities during the financial year were the rendering of printing, mailing and postal distribution services. The Company continued to enhance the value of its service offering during the financial year particularly relevant to its ability to electronically distribute notices on behalf of its customers to their stakeholders.

There were no other significant changes in the nature of the Group's principal activities during the financial year.

Operating Results and Review of Operations for the Year

The Group's consolidated loss amounted to $23,919, after providing for income tax and eliminating non-controlling equity interests (2012: loss of $740,512).

This represented a $716,491 improvement on the results reported for the year ended 30 June 2012.

The significant improvement primarily resulted from increased sales particularly from Local Government Associations primarily located in New South Wales, Victoria and Queensland.

The Directors consider the results of the Group to be satisfactory.

Financial Position

The net assets of the Group have increased by $787,849 to $1,919,440 at 30 June 2013 (2012: $1,131,591). This increase is largely due to raising $811,870 (net of transaction costs) from the issuance of shares described in Note 14 and Note 23.

Directors' Report (continued)

Significant Changes in the State of Affairs

The following significant changes in the Group's state of affairs occurred during the financial year:

- The Company raised $521,897 ($470,870 net of transaction costs) by way of allotting 3,479,313 shares to existing shareholders at $0.15 per share pursuant to the Rights Issue that closed on 22 June 2012;
- Print Mail Logistics (International) Pty Ltd raised $500,000 ($478,000 net of transaction costs) by way of allotting 2,000,000 ordinary shares partly-paid to $0.25 each pursuant to an Information Memorandum dated 10 May 2013.

Dividends Paid or Recommended

No external dividends were paid or declared during the financial year (2012: nil). No recommendation for payment of dividends has been made.

Events after the Reporting Period

On September 6, 2013 Print Mail Logistics (International) Pty Ltd exchanged contracts to purchase a parcel of land of approximately 1,595 square metres for $215,000. The required deposit of $21,500 has been paid. The contract contemplates a 90 day settlement and it is intended to fund the balance of the purchase price by way of a loan from an institutional lender and, to the extent required, from Print Mail Logistics (International) Pty Ltd's resources.

The parcel of land is adjacent to both a parcel of land which Print Mail Logistics (International) Pty Ltd presently owns and a parcel of land which Print Mail Logistics (International) Pty Ltd has contracted to purchase.

Otherwise, no matters or circumstances have arisen since the end of the financial year which would significantly affect or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial years.

Future Developments, Prospects and Business Strategies

The Company's business strategy is to leverage its industry experience and credibility to provide transactional printing and related communication solutions in Australia.

With the objective of maximising the Company's net worth, the Company proposes to increase revenue by way of continuing to concentrate on markets both within and outside of the state of Tasmania.

The Directors are cognisant of the requirement to continuously disclose material matters to the market. At this time, other than matters addressed in this financial report, there are no matters sufficiently advanced or at a level of certainty that would require disclosure.

Directors' Report (continued)

Environmental issues

The Board confirms that the Group has adequate systems and processes in place to manage and comply with environmental regulations as they apply to the Group. There have been no significant known breaches of any environmental regulations to which the Group is subject.

Information on Directors

The names of each person who has been a Director of the Company during the financial year and to the date of this report are:

John W Woods
Nigel B Elias
Robert C Cameron
Barry K Hamilton (appointed 5 July 2013).

The Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Directors' Particulars

John W Woods - Chairman (Non-executive)

Mr Woods is a Fellow of the Institute of Chartered Accountants in Australia and has held the positions of Chairman of the Institute's State Council in Tasmania and Chairman of the State Membership Committee. He served as a National Councillor from 1982 to 1986 and has been a member of the National Membership Committee, the National Disciplinary Committee, the National Education Committee and a member of the National Examination Committee.

Prior to his retirement as a Chartered Accountant in public practice, Mr Woods was a registered Company Liquidator, an Official Liquidator, a registered Tax Agent and a Company Auditor. He sat on the Tasmanian Regional Liaison Committee of the Australian Securities and Investments Commission (ASIC) and is a past member of the Tasmanian Auditors and Liquidators Disciplinary Board.

Mr Woods is Chairman of the Company having been appointed a Director of the Company in June, 2009.

His special responsibilities include that of Chairman of the Audit and Risk Management Committee, Chairman of the Nominations Committee and Chairman of the Remuneration Committee.

At balance date, Mr Woods held a beneficial interest in:

- 237,000 ordinary shares in the Company
- 100,000 ordinary shares partly-paid to $0.25 each in Print Mail Logistics (International) Pty Ltd.

Nigel B Elias – Managing Director (Executive)

Mr Elias has extensive national and international experience as a Company Director and Chief Executive Officer of organisations including the GenaWare Group and Australian Card Services. Other roles have included positions with the Bank of Montreal, the Mercantile Bank of Canada, Canadian Commercial and Industrial Bank, Citicorp Australia and CIBC Australia.

Mr Elias has been duly admitted to the degree of Bachelor of Arts (University of Lancaster, UK) and Master of Business Administration (Columbia University, USA).

Mr Elias is Managing Director of the Company having been appointed Chief Executive Officer and Director of the Company in June 2004.

Mr Elias is responsible for all aspects of the Group's activities.

At balance date, Mr Elias held a beneficial interest in 3,325,120 ordinary shares in the Company.

Directors' Report (continued)

Robert C Cameron - Director (Non-executive)

Mr Cameron was appointed a Director of the Company on 1 April 2010 having fulfilled the position of Director of the Company in prior financial years.

Mr Cameron is a Fellow of the Institute of Chartered Accountants in England and Wales and a former Director of Asia Pacific Infrastructure Limited ACN 010 966 793.

At balance date, Mr Cameron held a beneficial interest in 935,000 ordinary shares in the Company.

Barry K Hamilton – Director (Non-executive)

Mr Hamilton was appointed a Director of the Company on 5 July 2013.

Mr Hamilton is a member of the Institute of Chartered Accountants in Australia and an associated member of the Insolvency Practitioners Association of Australia.

At balance date, Mr Hamilton held a beneficial interest in:
- 330,000 ordinary shares in the Company;
- 100,000 ordinary shares partly-paid to $0.25 each in Print Mail Logistics (International) Pty Ltd.

Company Secretaries

The names of each person who has been a Company Secretary of the Company during the year and to the date of this report, together with their qualifications and experience are:

Ian B Hopkins – B.Com (University of New South Wales), CPA. Mr Hopkins was appointed Company Secretary on 2 June 2004, and has 23 years experience as a Company Secretary. Mr Hopkins resigned as Company Secretary on 10 May 2013.

Adrian J Pereira – B.Com (University of Tasmania), CA. Mr Pereira was appointed Company Secretary on 25 January 2007. Mr Pereira is the Chief Financial Officer of the Company with 8 years experience in that role together with 4 years experience in a public Chartered Accounting firm.

Mary-Anne Greaves – LL.B (University of New England), ACIS, ACSA,. Mrs. Greaves was appointed Company Secretary on 10 May 2013. Mrs. Greaves is a lawyer and an Associate of the Institute of Company Secretaries Australia and has considerable experience in company secretary roles.

Meetings of Directors

During the financial year, 10 meetings of Directors (including 3 meetings of Committees of Directors) were held. Attendances by each Director during the year were as follows;

	Directors' meetings		Committee meetings					
	Board meeting		Audit and Risk Management		Remuneration		Nominations	
	Number of meetings	Number attended	Number of meetings	Number attended	Number of meetings	Number attended	Number of meetings	Number attended
John W Woods	7	7	2	2	1	1	-	-
Nigel B Elias	7	6	2	2	1	1	-	-
Robert C Cameron	7	3	2	1	1	-	-	-
Barry K Hamilton (appointed 5 July 2013)	-	-	-	-	-	-	-	-

Directors' Report (continued)

Indemnification of Officers or Auditors

The Company has entered into a deed of access, insurance and indemnity ("Deed") with each of the Directors of the Company.

The Company has undertaken to indemnify each Director in certain circumstances and to maintain Directors' and Officers' insurance cover in favour of each Director for seven years after the Director has ceased to be a Director.

To the extent permitted by law and to the extent available in the market at a cost that would not be unfairly prejudicial to the Company, the Company must, for the duration of the Deed and for the period ended seven years after the Director has ceased to be an officer of the Company;

- maintain and pay the premium on a Directors and Officers insurance policy; or
- ensure that a related body corporate, as defined by section 9 of the *Corporations Act 2001* maintains and pays the premium on a Directors and Officers insurance policy.

The Company has executed a Directors and Officers insurance policy during the year. The amount of that insurance premium is currently $16,320 per annum.

During or since the end of the financial year, the Company has not given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums to indemnify the external auditor.

Options

No options over issued shares or interests in the Company or a controlled entity were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

Proceedings on Behalf of the Company

No person has applied for leave of the Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Non-audit Services

The Board, in accordance with advice from the Audit and Risk Management Committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that non-audit services, if any, did not compromise the external auditor's independence for the following reasons:

- any non-audit services are reviewed and approved by the Board in accordance with advice from the Chief Financial Officer prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and

- the nature of the services provided, if any, do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2013 has been received and is set out on page 13 of this Annual Report.

Directors' Report (continued)

Rounding of Amounts

The Company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the Directors' Report and Financial Report. Certain amounts in the Directors' Report and Financial Statements have been rounded off in accordance with that Class Order to the nearest thousand dollars.

Corporate Governance

The Directors of the Company support and adhere to the principles of corporate governance recognising the need for the highest standard of corporate behaviour and accountability. A review of the Company's corporate governance practices was undertaken during the year. A copy of the Corporate Governance Statement is set out on page 14 of this report.

Remuneration Report (audited)

Remuneration Policy

The Board's policy for determining remuneration of the key management personnel and executives (collectively referred to as "Executives") for the Group, which is set by the Remuneration Committee, is set out as follows:

- remuneration is determined in the context of general market and industry practice (so far as directly relevant benchmarks can be identified for comparative purposes) and the need to attract and retain high-calibre personnel;
- Executives, comprising of the Directors, Company Secretaries and the Chief Financial Officer, have authority and responsibility for planning, directing and controlling the activities of the Group;
- compensation levels are competitively set to attract and retain appropriately qualified and experienced Executives; and
- the compensation structures explained below are designed to attract suitably qualified candidates, reward the achievement of strategic objectives and achieve the broader outcome of creation of value for shareholders. The compensation structures take into account:
    - the capability and experience of the Executives;
    - the Executive's ability to control the relevant business performance;
    - the Group's earnings; and
    - the growth in share price and the delivery of constant returns on shareholder wealth.

There is no remuneration paid or payable to a person in the form of securities.

Directors' Report (continued)

Remuneration Report (continued)

Employment Details of Members of Key Management Personnel (KMP)

The following table provides employment details as at 30 June 2013 of persons who were, during the current financial year, KMP of the Group. The tables also identifies the proportion of remuneration that was performance and non-performance based. There was no remuneration received in the form of options.

Executive	**Position held**[2]	**Term of contract**	**Period of notice required for termination and related amounts payable**	**Proportion of elements of remuneration related to performance**[2]				**Proportion of elements of remuneration not related to performance**		
				Non-salary cash based incentives	Shares /Units	Options /Rights	Other	Fixed Salary[1]	Other	Total %
Nigel B Elias	Managing Director	3 years and 1 month commencing on 1 January 2012 and terminating on 31 January 2015	2 months. In the event the employment contract is terminated, Mr Elias is entitled to a payment equivalent to 4 months salary.	-	-	-	-	100%	-	100%
Adrian J Pereira	Commercial Manager and Chief Financial Officer / Company Secretary	3 years commencing on 1 July 2013 and terminating on 30 June 2016	2 months. In the event the employment contract is terminated, Mr Pereira is entitled to a payment equivalent to 6 months salary.	-	-	-	-	100%	-	100%
Ian B Hopkins	Company Secretary	Appointed 2 June 2004. Resigned 10 May 2013	-	-	-	-	-	-	100%	100%
Mary-Anne Greaves	Company Secretary	Appointed 10 May 2013.	-	-	-	-	-	-	100%	100%
John W Woods	Chairman/ Non-executive Director	Appointed 1 June 2009	-	-	-	-	-	100%	-	100%
Robert C Cameron	Non-executive Director	Appointed 1 April 2010	-	-	-	-	-	100%	-	100%

[1]Fixed salary consists of base salary as well as employer contributions to superannuation funds. Remuneration is reviewed annually by the Remuneration Committee through a process that considers individual, business and the overall performance of the Group.

Changes in Directors and Executives Subsequent to Year-end

Barry K Hamilton was appointed as Director of the Company on 5 July 2013. Otherwise, there have been no changes to the persons or positions occupied from that listed above subsequent to year-end.

Directors' Report (continued)

Remuneration Report (continued)

Remuneration details for the Year Ended 30 June 2013

The following table of benefits and payments details, in respect to the 2013 and 2012 financial years, the components of remuneration for each member of the KMP of the Group:

	Short-term benefits				Post employment benefits		Long-term benefits		Equity-settled share-based payments		Cash settled share based pay-ments	Termin-ation benefits	Total
	Salary, fees and leave	Sign-on bonus	Non-monetary	Other[1]	Pension and superan-nuation	Other	Incentiv e plans	Other	Shares /units	Options /rights			
	$	$	$	$	$	$	$	$	$	$	$	$	$
Directors													
Nigel B Elias – 2013[2]	87,959	-	-	-	7,560	-	-	-	-	-	-	-	**95,519**
2012	222,048	100,000	-	-	23,384	-	-	-	-	-	-	-	**345,432**
John W Woods - 2013	30,000	-	-	-	2,700	-	-	-	-	-	-	-	**32,700**
2012	30,000	-	-	-	2,700	-	-	-	-	-	-	-	**32,700**
Robert C Cameron - 2013	30,000	-	-	-	2,700	-	-	-	-	-	-	-	**32,700**
2012	30,000	-	-	-	2,700	-	-	-	-	-	-	-	**32,700**
Executives													
Adrian J Pereira - 2013	90,000	15,000	-	1,121	9,357	-	-	-	-	-	-	-	**115,478**
2012	88,499	30,000	-	345	9,884	-	-	-	-	-	-	-	**128,728**
Ian B Hopkins - 2013	-	-	-	4,996		-	-	-	-	-	-	-	**4,996**
2012	-	-	-	7,768	-	-	-	-	-	-	-	-	**7,768**
Mary-Anne Greaves - 2013	-	-	-	-	-	-	-	-	-	-	-	-	**-**
2012	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Total – 2013	**237,959**	**15,000**	**-**	**6,117**	**22,317**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**281,393**
2012	**370,547**	**130,000**	**-**	**8,113**	**38,668**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**547,328**

[1]During the financial year, other short-term benefits were paid on account of motor vehicle allowances paid to Mr Pereira ($1,121).

[2]On 30 June 2013, salary of $135,849 and superannuation of $12,200 was paid to Mr. Elias. The payments represent pre-payment of part of Mr. Elias' remuneration for the period 1 July 2013 to 30 June 2014. The payments have not been included in the table as it relates to remuneration for the year ended 30 June 2014. The pre-payment forms part of the prepayment disclosed in Note 14 in the financial statements.

Securities Received that Are Not Performance-related

No members of KMP are entitled to receive securities that are not performance based as part of their remuneration package.

Directors' Report (continued)

Remuneration Report (continued)

Cash Bonuses, Performance-related Bonuses and Share-based Payments

No members of KMP received performance-related bonuses and/or share-based payments as part of their remuneration package during the year.

The terms and conditions relating to cash bonuses granted as remuneration during the year to KMP are as follows:

Executive	Sign on bonus (cash)	Terms and conditions
Adrian J Pereira	$15,000	That Mr Pereira be deemed as an employee in good standing on the date of the proposed payment pursuant to the terms and conditions contained in a Deed of Employment between Mr Pereira and the Company.

Loans to members of KMP

At balance date, there are no loans between the Company and members of KMP.

Share and Options Granted to KMP

No options were granted during the year or in prior financial years.

Signed in accordance with a resolution of the Board of Directors.

John W Woods
Chairman

12 September 2013
Hobart, Tasmania

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Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the directors of Print Mail Logistics Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2013 there has been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and

(ii) no contraventions of any applicable code of professional conduct in relation to the review.

Crofts Assurance & Advisory Pty Limited

Matthew Duggan
Director
Signed at Sydney, 12 September 2013

Corporate Governance Statement

This statement outlines the primary corporate governance practices of Print Mail Logistics Limited ("Company") that have been in place during the year.

Board of Directors

The current Board of Directors consists of John W Woods, Nigel B Elias, Robert C Cameron and Barry K Hamilton.

The activities of the Board are governed by the Board Charter. In general, the Board's functions and responsibilities are to:
- chart strategy and set financial targets for the Group;
- monitor the implementation and execution of strategy and performance against financial targets; and
- appoint and oversee the performance of executive management and generally to take and fulfil an effective leadership role in relation to the Group.

The composition of the Board is determined according to the following principles:
- the Board must comprise members with a broad range of experience, expertise, skills and contacts relevant to the Group and its business;
- there must be at least three Directors;
- the number of Directors may be increased where the Board considers that additional expertise is required in specific areas or when an outstanding candidate is identified; and
- at least half of the Board must be non-executive Directors at least two of whom must also be independent.

One third of the Directors (other than a Managing Director) must retire at each Annual General Meeting of the Company. Additionally, each Director must not hold office longer than three consecutive Annual General Meetings without standing for re-election.

The Board has also established committees to assist in carrying out its function and for its effective and efficient performance.

The committees established at the date of this report are the following;
- Audit and Risk Management Committee;
- Nominations Committee; and
- Remuneration Committee.

Due to the size of the Company and the composition of the Board, each of the Directors is nominated to each of the three committees.

Powers of Managing Director

Mr Elias is the current Managing Director of the Company. The Managing Director is able to exercise any powers conferred on him by the Board pursuant to Rule 18.1 of the Constitution.

Role of Company Secretary

The Company Secretary is responsible for ensuring the Company meets its compliance with reporting obligations and managing the respective charter and is also accountable to the Board on corporate governance matters.

Access to Information

Each Director has the right to seek independent legal or other professional advice at the expense of the Company in the event of any doubt regarding matters arising in the course of carrying out their duties.

Corporate Governance Statement (continued)

Remuneration Policy

Pursuant to the Constitution, the Directors are to be paid out of the funds of the Company as remuneration for their services. The amount is to be determined by the Company in a general meeting and divided among them in the proportion and manner as they agree or, in default of agreement, equally.

The Company has also established a Remuneration Committee to advise on the remuneration (including non-monetary forms of remuneration such as incentive plans and salary packaging) payable to senior management and non-executive Directors of the Company under its Charter.

Managing Directors' fees are separately determined by the Board on advice from the Remuneration Committee.

A copy of the Remuneration Report is set out in the Directors' Report.

Appointment of Directors

The Nomination Committee has the role of developing suitable criteria (in regards to experience, expertise, skills, qualifications, contacts and other qualities) for Board candidates. If necessary, the Board will consider and conduct relevant ASIC and Federal Police Searches on each candidate.

Upon appointment of a Director, the Board will direct that the proper documentation be prepared notifying the National Stock Exchange of Australia ("NSX") and the Australian Securities and Investments Commission ("ASIC") of the appointment.

Ethical Conduct

Pursuant to the Company's Code of Ethics and Values, all Directors are encouraged to achieve the highest possible standards in the discharge of their obligations. Each Director has an obligation to comply with the spirit and principles of the code and law to:

- act in good faith in the best interests of the Company and for a proper purpose;
- observe confidentiality;
- act in the interests of all shareholders to avoid any potential conflict of interest;
- exercise a reasonable degree of care and diligence;
- not make improper use of information; and
- not make improper use of their position.

Similarly, the Board has adopted a Code of Conduct for Transactions in Securities which governs the ability of Directors, senior management and employees to trade in Company shares.

Continuous Disclosure and Communication with Shareholders

As set out in the Company's Charter, the Board aims to ensure that Shareholders are informed of all major developments affecting the Group's state of affairs.

Information is communicated to Shareholders as follows:

- the Company's continuous disclosure obligations are reviewed as a standing item on the agenda for each regular meeting of the Board. Each Director is required at every such meeting to confirm details of any matter within their knowledge that might require disclosure to the market;
- the Annual Report is distributed to all shareholders. The Board ensures that the Annual Report includes relevant information about the operations of the Group during the year, changes in the state of affairs of the Group, and details of future developments in addition to the other disclosures required by the *Corporations Act 2001*;

Corporate Governance Statement (continued)

Continuous Disclosure and Communication with Shareholders (continued)

- proposed major changes in the Group which may impact on share ownership rights and the removal and appointment of Directors are submitted to a vote of shareholders at an Annual General Meeting ("AGM"). If resolutions are required to be put to Shareholders before the next AGM, a general meeting will be called with at least 28 days' notice in accordance with the Constitution and the *Corporations Act 2001*. The Board encourages the full participation of Shareholders at the AGM and at other general meetings to ensure a high level of accountability and identification with the Group's strategy and goals;
- the external auditors will be requested to attend the AGM and be available to answer questions by Shareholders on the conduct of the audit and the preparation and content of the audit report;
- the half-yearly report contains summarised financial information and a review of the operations of the Group during the period. The report is lodged with and is available from the NSX. It is also sent to any Shareholder who requests it from the Company;
- Company announcements are made in a manner which is factual, timely, clear, and objective, and so as not to omit any information material to decisions of Shareholders and potential investors in the Company; and
- information concerning the Company, including copies of announcements made through the NSX and the annual report and half-yearly report, is made available to Shareholders and prospective investors in the Company on the Company's website. The Company has a continuing commitment to electronic communication with Shareholders and stakeholders generally including via its website.

Shareholder Privacy

Personal information will generally be collected directly from Shareholders through the use of any of our standard forms, over the internet, via email or through a telephone conversation. There may, however, be some instances where personal information will be collected indirectly because it is unreasonable or impractical to collect personal information directly. A notification will be issued in these instances in advance, or where that is not possible, as soon as reasonably practical after the information has been collected.

The Company takes all reasonable measures to ensure all personal information is stored safely to protect it from misuse, loss, unauthorised access, modification or disclosure, including electronic and physical security measures.

Generally, the Company only uses and discloses personal information for the purposes for which it was collected. However, personal information may be disclosed to:

- service providers, who assist the Company in operating its business. These service providers may not be required to comply with the Company's privacy policy;
- other service providers, who provide the various services which Shareholders have requested and the Company have arranged. These service providers may not be required to comply with the Company's privacy policy;
- a purchaser of the assets and operations of the Company's business, providing those assets and operations are purchased as a going concern; and
- the Company's related entities and other organisations that are affiliated for the purposes of providing Shareholders with information about services and various promotions that might be of interest.

A Shareholder may request their personal information by written request to the Company.

Corporate Governance Statement (continued)

Dealings in Securities

The Constitution permits Directors to acquire securities. Company policy prohibits any dealing in, or procuring the dealing in, securities except in accordance with the Code of Conduct for Transactions in Securities (“Code”).

The Code applies to all Directors and Officers of the Company and to all Executives, including the Chief Financial Officer, and employees nominated by the Board.

The Code permits Directors and other persons to whom the Code applies to trade in securities during a four week period starting immediately after the announcement to the NSX of the half-yearly and annual results and after the conclusion of the AGM provided that:

- the person is not in possession of price sensitive information; and
- the trading is not for short term or speculative gain.

In the event that a transaction is for consideration of greater than $50,000 worth of securities, the prior written approval of the Chairman is required prior to entering into discussions for the potential sale of those securities.

Otherwise, trading in securities by Directors and other persons to whom the Code applies is prohibited unless prior written approval is granted by the Chairman. In the case of any proposed trade by the Chairman, written authority to trade may be obtained from another non-executive Director.

As explained above, Directors are prohibited from improper use of information or their position both under the Code of Ethics and Values and the *Corporations Act 2001*. Therefore, no such person may trade Securities, either for short-term speculative gain or otherwise, whilst in possession of price sensitive information.

Additionally, the Corporations Act 2001 prohibits trading in securities with a related party unless it is on arm’s length terms or approved by shareholders.

Heavy sanctions apply if these duties are breached including punitive action commenced by ASIC.

Related Party Contracts

The Directors are under a general duty not to enter into transactions with related parties unless certain conditions have been fulfilled. Internally, these activities are governed by the respective charters, some of which include the following:

- Board Charter;
- Code of Conduct for Transactions in Securities; and
- Audit and Risk Management Committee Charter.

The *Corporations Act 2001* requires that all related party transactions must be entered into on arm’s length terms or if not, approved by shareholders of the Company as this will generally amount to a ‘material personal interest’ in a matter. This prohibition is enforced to protect the rights of shareholders.

A Director who has any material personal interest in a matter must not be present at a meeting while the matter is being considered and must not vote on the matter.

Conflict of Interest

A conflict of interest is defined by the Company to mean a situation where a matter which impacts upon a Director's ability to ensure that their duties are discharged efficiently, honestly and fairly, arises.

Practical steps taken by the Company to assist in identifying and avoiding potential conflicts of interest are as follows:

- monitoring and confidentially retaining relevant interest information on all Board and senior staff members for conflict identification and monitoring;
- undertaking performance reviews and regular receipting of disclosure notices;
- instituting appropriate remedial or preventative action, which will include:
  - where appropriate quarantining relevant operational areas from other operational areas where information or activity in one operational area is not accessible so as to ensure that 'Chinese walls' prevent the flow of sensitive or non-public information to other organisational areas unless there is 'a reason to know';
  - requiring senior management to monitor and supervise procedures to ensure proper functioning of Chinese walls and information flows;
  - allocating another Board member or employee to discharge the duty where appropriate;
  - declining to undertake transactions; or
  - always disclosing potential conflicts to third parties.

It is the responsibility of the senior management to ensure that there is an ongoing daily awareness given to identification and management of conflicts of interest and a conflict of interest register is kept and maintained.

Additionally, employees of the Company are also strongly encouraged to disclose all conflicts of interests which may arise.

Audit and Risk Management Committee

The role of the Audit and Risk Management Committee is to advise on the establishment and maintenance of a framework of internal control and appropriate ethical standards for the management of the Group, and fulfil the responsibility for the identification of significant business risks and review of the major risks affecting each business segment and develops strategies to mitigate these risks.

The Audit and Risk Management Committee members are appointed by the Board, with the current members being Mr Woods, Mr Elias and Mr Cameron. However, the Company Secretary is also accountable to the Board on all corporate governance matters and is responsible for managing the respective Charter.

Business is considered as the Committee may determine, with additional items of business considered as appropriate, including:

- review of Charter and consider plans for the coming year;
- review of policies on sensitive issues or practices such as environmental issues;
- review of the operation and effectiveness of internal controls;
- meet with the external auditors to discuss next year's audit plan and budget;
- review of the results and findings of the half-yearly audit/review;
- review of business risks facing the Group, and of the Group's business continuity plan, and assessment of the adequacy of internal controls; and
- review of related party transactions.

Corporate Governance Statement (continued)

Audit and Risk Management Committee (continued)

The external auditors are selected according to criteria set by the Committee which include most significantly:

- the lack of any current or past connection or association with the Company or with any member of senior management that could in any way impair, or be seen to carry with it any risk of impairing, the independent external view they are required to take in relation to the Company and the Group;
- their general reputation for independence and probity and professional standing within the business community; and
- their knowledge of the industry within which the Company and the Group operate.

Audit staff employed by the external audit partner, including the partner or other principal with overall responsibility for the engagement, are required to be rotated periodically, and in any event at intervals not exceeding five years, so as to avoid any risk of impairing the independent external view that the external auditors are required to take in relation to the Company and the Group. The performance of the external auditor is reviewed on an annual basis.

Risks

The Board has the responsibility for the maintenance of the Company's strategy which includes the identification of significant business, legal, financial and organisational risks. This responsibility is fulfilled by the Audit and Risk Management Committee which reviews the major risks affecting each business segment and develops strategies to mitigate these risks and reports to the Board following each meeting.

The risks of the Company's and the Group's business are reviewed by the Board following each report by the Audit and Risk Management Committee. This report is a specific agenda item at each regular meeting of the Board to ensure that the Company is able to effectively respond to such risks.

Consolidated Statement of Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2013	Notes	2013	2012
		$	$
Continuing operations			
Revenue	3	6,952,884	6,497,586
Changes in inventories		57,710	(12,914)
Raw materials and consumables used		(3,150,220)	(3,214,165)
Employee benefits expense		(2,236,545)	(2,443,858)
Finance costs		(174,690)	(199,670)
Depreciation and amortisation expense		(494,122)	(568,917)
Other expenses		(996,613)	(1,139,310)
Share of net profits/(loss) of associates		16,715	33,693
Profit/(Loss) before tax from continuing operations	4	**(24,881)**	**(1,047,555)**
Income tax benefit/(expense)	5	860	307,043
Profit/(Loss) for the year from continuing operations		**(24,021)**	**(740,512)**
Discontinued operations			
Profit/(Loss) for the year from discontinued operations	6	-	-
Profit/(Loss) for the year		**(24,021)**	**(740,512)**
Attributable to:			
Equity holders of the Parent		(23,919)	(740,512)
Non-controlling interests		(101)	-
		(24,021)	**(740,512)**
Other comprehensive income			
Other comprehensive income for the year net of income tax		-	-
Total comprehensive (loss)/income for the year attributable to members		**(23,919)**	**(740,512)**
Earnings per share and Diluted earnings per share			
From continuing operations:			
Basic and Diluted earnings per share (cents)	10	(0.07)	(2.70)
From discontinued operations:			
Basic and Diluted earnings per share (cents)	10	-	-
From profit/(loss) for the year:			
Basic and Diluted earnings per share (cents)	10	(0.07)	(2.70)

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position

AS AT 30 JUNE 2013	Notes	2013	2012
		$	$
Current Assets			
Cash and cash equivalents	11	148,450	63,806
Trade and other receivables	12	479,687	442,347
Inventories	13	144,570	86,860
Other current assets	14	238,506	40,589
Total Current Assets		**1,011,213**	**633,602**
Non-Current Assets			
Investment in associate accounted for using the equity method	15	872,655	855,940
Deferred tax assets	21	787,360	801,729
Property, plant and equipment	18	2,640,111	1,802,385
Total Non-Current Assets		**4,300,126**	**3,460,054**
Total Assets		**5,311,339**	**4,093,656**
Current Liabilities			
Trade and other payables	19	1,229,702	1,067,284
Borrowings	20	1,175,867	1,611,523
Provisions	22	86,534	103,745
Total Current Liabilities		**2,492,102**	**2,782,552**
Non-Current Liabilities			
Provisions	22	135,205	146,261
Borrowings	20	746,568	-
Deferred tax liability	21	18,024	33,252
Total Non-Current Liabilities		**899,797**	**179,513**
Total Liabilities		**3,391,899**	**2,962,065**
Net Assets		**1,919,440**	**1,131,591**
Equity			
Issued capital	23	8,780,517	8,309,647
Accumulated losses		(7,201,975)	(7,178,056)
Equity attributable to equity holders of the Parent		**1,578,542**	**1,131,591**
Non-controlling interests		340,899	-
Total Equity		**1,919,440**	**1,131,591**

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2013	Notes	Attributable to equity holders of the Parent Ordinary Shares	Equity Component of Convertible Notes	Total Issued Capital	Accumulated Losses	Total
		$	$	$	$	**$**
Balance at 1 July 2012		7,895,582	414,065	8,309,647	(7,178,056)	**1,131,591**
Comprehensive income for the year						
Profit/(Loss) for the year		-	-	-	(23,919)	**(23,919)**
Total comprehensive loss for the year		-	-	-	(23,919)	**(23,919)**
Transactions with owners recorded directly in equity						
Contributions by owners						
- Shares issued		521,897	-	521,897	-	**521,897**
- Transaction costs		(51,027)		(51,027)		**(51,027)**
Total contributions by owners		470,870	-	470,870	-	**470,870**
Balance at 30 June 2013	23	8,366,452	414,065	8,780,517	(7,201,975)	**1,578,542**
Balance at 1 July 2011		7,521,829	414,065	7,935,894	(6,437,544)	**1,498,350**
		7,521,829	414,065	7,935,894	(6,437,544)	1,498,350
Comprehensive income for the year						
Profit/(Loss) for the year		-	-	-	(740,512)	**(740,512)**
Other comprehensive income		-	-	-	-	**-**
Total comprehensive income for the year		-	-	-	(740,512)	**(740,512)**
Transactions with owners recorded directly in equity						
Contributions by owners						
- Shares issued		373,753	-	373,753	-	**373,753**
- Transaction costs		-	-	-	-	**-**
Total contributions by owners		373,753	-	373,753	-	**373,753**
Balance at 30 June 2012	23	7,895,582	414,065	8,309,647	(7,178,056)	**1,131,591**

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2013

	Notes	2013 $	2012 $
Cash Flows From Operating Activities			
Receipts from customers		7,381,797	7,036,875
Payments to suppliers and employees		(7,755,251)	(6,703,611)
Finance costs		(199,989)	(182,893)
Interest received		392	-
Net Cash Flows From/(Used in) Operating Activities	27(a)	**(573,051)**	**150,371**
Cash Flows from Investing Activities			
Purchase of property, plant and equipment	18	(1,400,433)	(40,290)
Proceeds from disposal of property, plant and equipment	4	742,360	-
Proceeds from sale of shares	4	125,000	-
Net Cash Flows Used In Investing Activities		**(533,073)**	**(40,290)**
Cash Flows from Financing Activities			
Proceeds from share issues		811,870	373,753
Proceeds from borrowings		510,413	-
Repayment of borrowings		(131,515)	(277,964)
Net Cash Flows (Used In)/From Financing Activities		**1,190,768**	**95,789**
Net Increase in Cash and Cash Equivalents held		84,644	205,870
Cash and Cash Equivalents at Beginning of Year		63,806	(142,064)
Cash and Cash Equivalents at End of Year	27(b)	**148,450**	**63,806**

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

30 JUNE 2013

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements were authorised for issue by the Board of Directors on 12 September 2013. The Board has the power to amend or re-issue the report after it has been issued.

(a) Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

The financial statements include the consolidated financial statements and notes of the consolidated entity consisting of Print Mail Logistics Limited (referred to hereafter as “the Company”) and the entities it controlled (referred hereafter to as “the Group”) for the financial year ended 30 June 2013.

The Company is a listed public company, incorporated and domiciled in Australia.

The financial statements of the Group comply with all International Financial Reporting Standards (IFRS) in their entirety.

The following is a summary of the material accounting policies adopted by the Group in the preparation of the financial statements.

The accounting policies have been consistently applied, unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting applies. Cost is based on the fair values of the consideration given in exchange for assets.

Notes to the Financial Statements (continued)

30 June 2013

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by the Company at the end of the reporting period. A controlled entity is any entity controlled by the Company. Control is considered to exist where the Company has the capacity to dominate the decision making in relation to the financial and operating policies of another entity so that the other entity operates with the Company to achieve the objectives of the Company. The controlled entities have June financial year ends.

Where a controlled entity has entered or left the Group during the year its operating results have been included from the date control was obtained or until the date control ceased. Details of the controlled entities are contained in Note 26. As at the reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended.

Where controlled entities have entered or left the group during the year, the financial performance of those entities is included only for the period of the year that they were controlled. A list of controlled entities is contained in Note 17 to the financial statements.

All inter-company balances and transactions between entities in the Group, including any unrealised profits or losses, have been eliminated on consolidation.

Non controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to the parent, are reported separately in within the equity section of the consolidated statement of financial position and statements showing profit or loss and other comprehensive income. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

(c) Business Combinations

Business combinations occur where an acquirer obtains control over one or more businesses.

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination shall be measured at fair value, which shall be calculated as the sum of the acquisition-date fair values of the assets transferred by the acquirer, the liabilities incurred by the acquirer to form owners of the acquiree and the equity issued by the acquirer, and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured at fair value as at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with AASB 139: *Financial Instruments: Recognition and Measurement* either in profit or loss or in other comprehensive income. If the contingent consideration is classified as equity, it shall not be remeasured.

Notes to the Financial Statements (continued)

30 JUNE 2013

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Taxes

Income taxes

The charge for current income tax expense is based on the profit or loss for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the reporting date.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited to the Statement of Comprehensive Income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

The Company and its wholly owned Australian subsidiaries formed an income tax consolidated group under the tax consolidation regime on 1 July 2006. Each entity in the tax consolidated group recognises its own current and deferred tax liabilities, except for any deferred tax liabilities resulting from unused tax losses and tax credits, which are immediately assumed by the Company. The current tax liability of each tax consolidated group entity is then subsequently assumed by the Company.

Goods and services tax (GST)

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

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense; and
- receivables and payables are stated with the amount of GST included.

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

Cash flows are included in the Statement of Cash Flows on a gross basis except for the GST component of the cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, which are disclosed as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Notes to the Financial Statements (continued)

30 JUNE 2013

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Inventories

Inventories are valued at the lower of cost or net realisable value.

Costs incurred in bringing inventory to its present location and condition, are accounted for as purchase costs on a first-in-first-out basis.

(f) Property, plant and equipment

Each class of property, plant and equipment is carried at cost less any accumulated depreciation and impairment losses.

Property

Freehold land and buildings are carried at fair value (being the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less accumulated depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are recognised against revaluation surplus directly in equity; all other decreases are recognised in profit or loss.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Plant and equipment

The carrying amount of plant and equipment is reviewed on an annual basis by the directors to ensure that the value is not in excess of the recoverable amount of these assets. The recoverable amount is assessed by reference to the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present value in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Repairs and maintenance costs are expensed to the Statement of Comprehensive Income during the financial period in which they are incurred.

Notes to the Financial Statements (continued)

30 JUNE 2013

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Property, plant and equipment (continued)

Depreciation

The depreciable amount of all fixed assets, but excluding freehold land, is depreciated on a straight-line basis over their useful lives to the Group commencing from the time the asset is first held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Major depreciation periods are:

Class of fixed asset	**Depreciation rate**
Buildings	02%
Computer software and equipment	33%
Motor vehicles	33%
Furniture and fittings	20%
Digital printing equipment	20%
Mail insertion equipment	20%
Finishing and bindery equipment	20%
Offset printing equipment	08%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing the proceeds received from the disposal to the carrying amount of each respective asset. These gains and losses are included in the Statement of Comprehensive Income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to entities within the Group are classified as finance leases. Finance leases are capitalised by recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the Group will obtain ownership of the asset or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(h) Financial instruments

Initial recognition and measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by market placed convention.

Financial instruments are initially measured at fair value plus transaction costs where the instrument is not classified as at fair value through the profit or loss. Transaction costs related to instruments classified as at fair value through profit and loss are expensed to the Statement of Comprehensive Income immediately. Financial instruments are classified and measured as set out below:

- *Derecognition*

Financial assets are derecognised where the contractual rights to the receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in the Statement of Comprehensive Income.

- *Classification and subsequent measurement*

(i) Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

(ii) 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 and within the requirements of AASB 139: *Financial Instruments: Recognition and Measurement*. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the Statement of Comprehensive Income in the period in which they arise. Subsequent to initial recognition, financial assets in this category are measured at cost when they are investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be measured reliably.

Notes to the Financial Statements (continued)

30 JUNE 2013

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Financial instruments (continued)

(iii) Financial liabilities
Non-derivative financial liabilities are subsequently measured at amortised cost, comprising original debt less principal payments and amortisation.

(iv) Impairment
At each reporting date, the Group assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the Statement of Comprehensive Income.

(i) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short term borrowings in current liabilities on the Statement of Financial Position.

Cash on hand and in banks and short term deposits are stated at nominal value.

For the purposes of the Statement of Cash Flows, cash includes cash on hand and in banks including bank overdrafts.

(j) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after reporting date.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in the Statement of Comprehensive Income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the Statement of Comprehensive Income.

(k) Impairment of assets

At each reporting date, the Group reviews the carrying values of its assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less cost incurred to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Comprehensive Income.

Impairment testing is performed annually.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

Notes to the Financial Statements (continued)

30 JUNE 2013

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held-for-sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held-for-sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held-for-sale continue to be recognised.

Non-current assets classified as held-for-sale and the assets of a disposal group classified as held-for-sale are presented separately from the other assets in the Statement of Financial Position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the Statement of Financial Position.

A discontinued operation is a component of the entity that has been disposed of or is classified as held-for-sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the Statement of Comprehensive Income.

(m) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(n) Segment reporting

Operating segments are reported in a manner consistent with the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing the performance and determining the allocation of resources.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed are net of returns, trade allowances and rebates.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured.

Revenue from printing is recognised upon delivery to the customer or on account of the customer. Revenue from mailing services is recognised by reference to the stage of completion method.

Dividend revenue is recognised when the Company or Group establishes the right to receive payment.

Interest revenue is recognised using the effective interest method as set out in AASB 139: *Recognition and Measurement of Financial Instruments*.

All revenue is stated net of the amount of GST.

(p) Foreign currency transactions and balances

Functional and presentation currency

The functional currency of each of the entities in the Group is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the Company's functional and presentation currency.

Transaction and balances

Foreign currency transactions are translated into foreign currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the Statement of Comprehensive Income, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity; otherwise the exchange difference is recognised in the Statement of Comprehensive Income.

(q) Employee benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave and long service leave.

Employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. This is inclusive of associated on-costs of 16.5%. Employee benefits payable later than one year have been measured at the present value of the estimated cash flows to be made for those benefits.

Employee benefits expenses and revenues arising in respect of wages and salaries, non-monetary benefits, annual leave and other types of employee benefits are recognised against profits on a net basis in their respective categories.

Notes to the Financial Statements (continued)

30 JUNE 2013

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Provisions

Provisions are recognised when the Group has a legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(s) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

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

(t) Comparative figures

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

(u) Debt defeasance

Where assets are given up to extinguish the principal repayments and all future interest payments of a debt, any differences in the carrying value foregone and the liability extinguished is brought to account in profit. Costs incurred in establishing the defeasance are expensed in the period that the defeasance occurs.

In all cases where defeasance occurs, it is highly unlikely that the Group will again be required to pay any part of the debt or meet any guarantees or indemnities associated with the debt.

(v) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(w) Earnings per share

(i) Basic earnings per share
Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

(ii) Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

30 JUNE 2013

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(x) Critical accounting estimates and assumptions

The Directors evaluate estimates and judgements 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 Group.

Key estimates

Impairment - The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Income taxes - The Group is subject to income taxes in Australia. There are certain transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group estimates its tax liabilities based on the Group's understanding of the tax law. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

In addition, the Group has recognised deferred tax assets relating to carried forward tax losses to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same subsidiary against which the unused tax losses can be utilised.

(y) New accounting standards and interpretations

During the year, the Group adopted any new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory. The adoption of these standards has not impacted the recognition, measurement and disclosure of any transaction.

Notes to the Financial Statements (continued)

30 JUNE 2013

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(z) New accounting standards for application in future periods

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Group. The Group has decided not the early adopt any of the new and amended pronouncements. The Group's assessment of the new and amended pronouncements that are relevant to the Group but applicable in future reporting periods is set out below:

- AASB 9: *Financial Instruments* (December 2010) and AASB 2010-7: *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)*.

  These Standards are applicable retrospectively and include revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments.

  The key changes made to accounting requirements include:

  - simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
  - simplifying the requirements for embedded derivatives;
  - removing the tainting rules associated with held-to-maturity assets;
  - removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
  - allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument;
  - requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows; and
  - requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarged, the entity is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss.

  These Standards were mandatorily applicable for annual reporting periods commencing on or after 1 January 2013. However, AASB 2012-6: *Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures* (issued September 2012) defers the mandatory application date of AASB 9 from 1 January 2013 to 1 January 2015.

- AASB 10: Consolidated Financial Statements, AASB 11: *Joint Arrangements*, AASB 12: *Disclosure of Interests in Other Entities,* AASB 127: *Separate Financial Statements* (August 2011) and AASB 128: *Investments in Associates and Joint Ventures* (August 2011) (as amended by AASB 2012-10: *Amendments to Australia Accounting Standards – Transition Guidance and Other Amendments*), and AASB 2011-7*: Amendments to Australian accounting Standards arising from the Consolidation and Joint Arrangements Standards* (applicable to annual reporting periods commencing on or after 1 January 2013).

Notes to the Financial Statements (continued)

30 JUNE 2013

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(z) New accounting standards for application in future periods (continued)

AASB 10 replaces parts of AASB 127: Consolidated and Separate Financial Statements (March, 2008: as amended) and Interpretation 112: *Consolidation – Special Purpose Entities*. AASB 10 provides a revised definition of "control" and additional application guidance so that a single control model will apply to all investees. This Standard is not expected to significantly impact the Group's financial statements.

AASB 11 replaces AASB 131: *Interests in Joint Ventures* (July, 2004 as amended). AASB 11 requires joint arrangements to be classified as either "joint operations" (where the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities) or "joint ventures" (where the parties that have joint control of the arrangement have rights to the net asset of the arrangement).

AASB 12 contains the disclosure requirements applicable to entities that hold an interest in a subsidiary, joint venture, joint operation or associate. AASB 12 also introduces the concept of a "structured entity", replacing the "special purpose entity" concept currently used in Interpretation 112, and requires specific disclosures in respect of any investments in unconsolidated structured entities. This Standard will affect disclosures only and is not expected to significantly affect the Group's financial statements.

To facilitate the application of AASBs 10, 11 and 12, revised versions of AASB 127 and AASB 128 have also been issued. The revisions made to AASB 127 and AASB 128 have also been issued. The revisions made to AASB 127 and AASB 128 are not expected to significantly impact the Group's financial statements.

- AASB 13: and AASB 2011-8: *Amendments to Australian accounting Standards arising from AASB 13* (applicable for annual reporting periods commencing on or after 1 January 2013).

  AASB 13 defines fair value, sets out in a single Standard a framework for measuring fair value, and requires disclosures about fair value measurement.

  AASB 13 requires:
  - Inputs to all fair value measurements to be categorized in accordance with a fair value hierarchy; and
  - Enhanced disclosures regarding all assets and liabilities (including, but not limited to, financial assets and financial liabilities) to be measured at fair value.

  These Standards are expected to result in more detailed fair value disclosures, but are not expected to significantly impact the amounts recognized in the Group's financial statements.

- AASB 2011-4: *Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements* (applicable for annual reporting periods beginning on or after 1 July 2013).

  This Standard makes amendments to AASB 124: *Related Party Disclosures* to remove the individual key management personnel requirements (including paras Aus29.1 to Aus29.9.3). These amendments serve a number of purposes including furthering trans-Tasman convergence, removing differences from IFRSs, and avoiding any potential confusion with the equivalent *Corporations Act 2001* disclosure requirements.

Notes to the Financial Statements (continued)

30 JUNE 2013

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(z) New accounting standards for application in future periods (continued)

This Standard is not expected to significantly impact the Group's financial report as a whole because:

- Some of the disclosures removed from AASB 124 will continue to be required under s 300A of the Corporations Act, which is applicable to the Group; and
- AASB 2011-4 does not affect the related party disclosure requirements in AASB 124 applicable to all reporting entities, and some of these requirements require similar disclosures to those removed by AASB 2011-4.

- AASB 2012-2: *Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities* (applicable for annual reporting periods commencing on or after 1 January 2013).

  AASB 2012-2 principally amends AASB 7: *Financial Instruments: Disclosures* to require entities to include information that will enable users of their financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position.

  This Standard is not expected to significantly impact the group's financial statements.

- AASB 2012-3: *Amendments to Australian accounting standards – Offsetting Financial Assets and Financial Liabilities* (applicable for annual reporting periods commencing on or after 1 January 2014).

  This Standard adds application guidance to AASB 132: *Financial Instruments: Presentation* to address potential inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.

- AASB 2012-5: Amendments *to Australian accounting standards arising from Annual Improvements 2009-2011 Cycle* (applicable for annual reporting periods commencing on or after 1 January 2013).

  This Standard amends a number of Australian Accounting standards as a consequence of the issuance of *Annual Improvements to IFRSs 2009-2011 Cycle by* the International Accounting standards Board, including;

  - AASB 1: *First-time Adoption of Australian Accounting Standards* to clarify the requirements in respect of the application of AASB 1 when an entity discontinues and then resumes applying Australian Accounting Standards;
  - AASB 101: *Presentation of Financial statements* and AASB 134: *Interim Financial reporting* to clarify the requirements for presenting comparative information;
  - AASB 116: *Property, Plant and Equipment* to clarify the accounting treatment of spare parts, stand-by equipment and servicing equipment;
  - AASB 132 and Interpretation 2: *Members' Shares in Co-operative Entities and Similar Instruments* to clarify the accounting treatment of any tax effect of a distribution to holders of equity instruments; and
  - AASB 134 to facilitate consistency between the measures of total assets and liabilities an entity reports for its segments in its interim and annual financial statements.

  This Standard is not expected to significantly impact the Group's financial statements.

Notes to the Financial Statements (continued)

30 JUNE 2013

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(aa) Rounding of amounts

The Company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the “rounding off” of amounts in the Directors’ Report and Financial Report. Certain amounts in the Directors’ Report and Financial Report have been rounded off in accordance with that Class Order to the nearest thousand dollars.

Notes to the Financial Statements (continued)

30 JUNE 2013

Note 2: Parent Information

The following information has been extracted from the books and records of the parent and has been prepared in accordance with Australian Accounting Standards:

	2013	2012
Statement of Financial Position	**$**	**$**
ASSETS		
Current assets	1,331,889	633,598
Non-current assets	2,732,616	3,427,568
TOTAL ASSETS	4,064,505	4,061,166
Statement of Profit or Loss and Other Comprehensive Income		
Total profit/(loss)	6,325	(778,218)
Total comprehensive income	6,325	(778,218)

Gurantees

Print Mail Logistics Limited is currently subject to guarantees in relation to the following borrowings and obligations of its subsidiaries:

	Notes	$
- Print Mail Logistics (International) Pty Ltd:		
Borrowings		
- Mortgage loan	20	310,413
- Print Mail Logistics (Equipment) Pty Ltd:		
Operating lease committments		
- Equipment	24	2,073,711
Capital expenditure committments:		
- Equipment vendor	19	527,050

Contingent liabilities

At 30 June 2013, Print Mail Logistics Limited had not recognised any contingent liabilities.

Contractual commitments

Refer to Note 24 for further details.

Notes to the Financial Statements (continued)

30 JUNE 2013

Note 3: Revenue and Other Income

	Note	2013 $	2012 $
Revenue from continuing operations			
Sales revenue:			
- sale of goods and provision of services		6,639,326	6,316,347
		6,639,326	6,316,347
Other revenue:			
- interest received			
- related parties		-	-
- other persons		392	-
		392	-
Total revenue		6,639,718	6,316,347
Other income:			
- gain on disposal of property, plant and equipment	4b	156,427	-
- gain on forgiveness of loan		-	49,900
- gain on disposal of investments	4b	100,000	-
- other income		56,739	131,339
		313,166	181,239
Total revenue and other income from continuing operations			
- attributable to members of the parent entity		6,952,884	6,497,586
- attributable to non-controlling interests		-	-
		6,952,884	6,497,586
Revenue and other income from discontinued operations			
- attributable to members of the parent entity		-	-
- attributable to non-controlling interests		-	-
		-	-
Total revenue and other income from continuing operations and discontinued operations			
- attributable to members of the parent entity		6,952,884	6,497,586
- attributable to non-controlling interests		-	-
		6,952,884	6,497,586

Notes to the Financial Statements (continued)

30 JUNE 2013

Note 4: Profit for the Year

	Note	2013 $	2012 $
a. Expenses			
Cost of sales		(3,150,220)	(3,097,940)
Finance costs			
- Interest expense – other persons		(164,154)	(188,301)
- Interest expense – related entities		-	-
- Other borrowing costs		(10,536)	(11,369)
		(174,690)	(199,670)
Employee benefits expense			
- superannuation expense	4.a (i)	(176,698)	(171,045)
Impairment of non-current investments		-	-
Foreign currency translation losses	4.a (ii)	(6,047)	-
Bad and doubtful debts			
- Trade receivables impaired	4.a (ii)	-	-
Rental expense on operating leases			
- minimum lease payments - premises	4.a (iii)	(230,838)	(247,176)
- minimum lease payments - machine rental	4.a (iv)	(50,337)	-
		(281,175)	(247,176)

(i) This amount is grouped with employee benefits expense in the Statement of Comprehensive Income.
(ii) This amount is grouped with other expenses in the Statement of Comprehensive Income.
(iii) This amount is grouped with other expenses in the Statement of Comprehensive Income.
(iv) This amount is grouped with other expenses in the Statement of Comprehensive Income.

	Note	2013 $	2012 $
b. Significant Revenue and Expenses			
The following significant revenue and expense items are relevant in explaining the financial performance:			
Consideration on sale property, plant and equipment		742,360	-
Carrying amount of net assets sold	18	(585,634)	-
Net gain on sale of property, plant and equipment	3	156,726	-
Consideration on sale of partly-paid ordinary shares in Print Mail Logistics (International) Pty Ltd		125,000	-
Carrying amount of net assets sold		(25,000)	-
Net gain on sale of partly-paid ordinary shares in Print Mail Logistics (International) Pty Ltd	3	100,000	-

Notes to the Financial Statements (continued)

30 JUNE 2013

Note 5. Tax Expense

	Notes	2013 $	2012 $
Current			
The major components of income tax expense are:			
Deferred tax expense/(benefit)		(860)	(307,044)
		(860)	(307,044)
Reconciliation of deferred tax expense/(benefit)			
- Continuing operations		(860)	(307,044)
- Discontinued operations	6	-	-
Deferred tax expense/(benefit)		(860)	(307,044)
Reconciliation of income tax expense to prima facie tax payable			
Accounting (loss)/profit from continuing operations before income tax		(24,881)	(1,047,555)
Accounting (loss)/profit from discontinued operations before income tax		-	-
Accounting (loss)/profit before income tax		(24,881)	(1,047,555)
Prima facie tax at statutory income tax rate of 30%		(7,464)	(314,268)
Non deductible expenditure		6,604	9,014
Non assessable income		-	(14,970)
Derecognition of deferred tax assets		-	13,179
Income tax (benefit)/expense		(860)	(307,044)

Notes to the Financial Statements (continued)

30 JUNE 2013

Note 6. Discontinued Operations

On 16 February 2012, the sole member of 666666 Pty Ltd, being Print Mail Logistics Limited, resolved to place the company in liquidation (Member's Voluntary Liquidation).
The final meeting of members was held on 24 June 2013.
Financial information relating to the discontinued operation to the date of disposal, being the date of the final meeting of members, is set out below.

The financial performance of the discontinued operation to the date of sale which is included in the (loss)/profit from discontinued operations per the statement of comprehensive income is as follows:

	Notes	2013 $	2012 $
Revenue		-	-
Expenses		-	-
Profit before income tax		-	-
Income tax expense		-	-
Profit attributable to members of the parent entity		**-**	**-**
Profit on sale before income tax		-	-
Income tax expense		-	-
Profit on sale after income tax		**-**	**-**
Total profit after tax attributable to the discontinued operation		**-**	**-**
Earnings per share			
From discontinued operations:			
Basic and Diluted earnings per share (cents)	10	-	-

The discontinued operation does not fall into any specific operating segment and for the purpose of AASB 8 *Operating Segments* and is therefore not allocated to an operating segment.

The net cash flows of the discontinued operation which have been incorporated into the statement of cash flows are as follows:

	2013	2012
Net cash (outflow)/inflow from operating activities	-	-
Net cash inflow/(outflow) from investing activities	-	-
Net cash outflow from financing activities	-	-
Net cash increase in cash generated by the discontinued operation	**-**	**-**

Notes to the Financial Statements (continued)

30 JUNE 2013

Note 7. Key Management Personnel Compensation (KMP)

Refer to the remuneration report contained in the directors' report for details of the remuneration paid or payable to each member of the Group's KMP for the year ended 30 June 2013.

The totals of remuneration paid to KMP of the company and the Group during the year are as follows:

	Notes	2013	2012
		$	$
Short-term employee		259,076	508,660
Post-employment benefits		22,317	38,668
Other long term benefits		-	-
Share based payments		-	-
Total KMP compensation		281,393	547,328

KMP Commitments

Commitments are payable as follows:

Payments within 1 year	339,756	206,010
Payments 1-5 years	419,513	463,250
	759,269	669,260

KMP Options and Rights Holdings

There were no options over ordinary shares held by KMP of the Group during the financial year.

KMP Shareholdings

The number of ordinary shares in Print Mail Logistics Limited held by each KMP of the Group during the financial year is as follows:

		Balance at Beginning of Year	Granted as Remuneration during the Year	Issued on Exercise of Options during the Year	Other changes during the Year	Balance at End of Year
Nigel B Elias	**2013**	3,235,720	-	-	89,400	**3,325,120**
	2012	3,189,720	-	-	46,000	**3,235,720**
John W Woods	**2013**	75,000	-	-	162,000	**237,000**
	2012	57,000	-	-	18,000	**75,000**
Robert C Cameron	**2013**	763,000	-	-	172,000	**935,000**
	2012	511,000	-	-	252,000	**763,000**
Adrian J Pereira	**2013**	-	-	-	-	**-**
	2012	-	-	-	-	**-**
Ian B Hopkins	**2013**	-	-	-		**-**
	2012		-	-		**-**
Mary-Anne Greaves	**2013**	-	-	-	-	**-**
	2012	-	-	-	-	**-**
Total	**2013**	4,073,720	-	-	423,400	**4,497,120**
	2012	3,757,720	-	-	316,000	**4,073,720**

Notes to the Financial Statements (continued)

30 JUNE 2013

Note 8. Auditors' Remuneration

	2013 $	2012 $
Amounts received by Crowe Horwath Brisbane		
- audit or review of the financial report (inc disbursements)	-	30,569
- income tax services	-	8,000
	-	38,569
Amounts received or due and receivable by Crofts Assurance and Advisory Pty Limited		
- audit or review of the financial report (inc disbursements)	41,586	27,139
	41,586	27,139
	41,586	65,708

Note 9: Dividends

There were no dividends paid, declared, determined or publicly recommended on or prior to the reporting date (2012: nil).

The Company's franking account balance is $114,785 (2012: $114,785).

Notes to the Financial Statements (continued)

30 JUNE 2013

Note 10: Earnings per Share

	2013 $	2012 $
Reconciliation of total earnings to profit or loss		
Profit/(Loss) after income tax	(24,021)	(740,512)
Profit/(loss) attributable to non-controlling equity interest	(101)	-
Earnings used to calculate basic EPS	(23,919)	(740,512)
Earnings used in the calculation of dilutive EPS	(23,919)	(740,512)
Reconciliation of earnings to profit or loss from continuing operations		
Profit/(Loss) from continuing operations	(24,021)	(740,512)
Profit attributable to non-controlling equity interest in respect of continuing operations	(101)	-
Earnings used to calculate basic EPS from continuing operations	(23,919)	(740,512)
Earnings used in the calculation of dilutive EPS from continuing operations	(23,919)	(740,512)
Reconciliation of earnings to profit or loss from discontinued operations		
Profit/(Loss) from discontinuing operations	-	-
Profit attributable to non-controlling equity interest in respect of discontinued operations	-	-
Earnings used to calculate basic EPS from discontinuing operations	-	-
Earnings used in the calculation of dilutive EPS from discontinuing operations	-	-
Weighted average number of ordinary shares outstanding during the year used in calculating basic and dilutive EPS	32,737,504	27,409,133
Earnings per share and Diluted earnings per share		
From continuing operations:		
Basic and Diluted earnings per share (cents)	(0.07)	(2.70)
From discontinued operations:		
Basic and Diluted earnings per share (cents)	-	-
From profit/(loss) for the year:		
Basic and Diluted earnings per share (cents)	(0.07)	(2.70)

Notes to the Financial Statements (continued)

30 JUNE 2013

Note 11. Cash and Cash Equivalents

	Notes	2013 $	2012 $
Cash at bank and on hand	11 (a)	148,450	63,806
		148,450	63,806
Reconciliation of Cash			
Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to items in the Statement of Financial Position as follows:			
Cash and cash equivalents		148,450	63,806
		148,450	63,806

a. A floating charge over cash and cash equivalents has been provided for certain debts. Refer to Note 20 for further details.

Note 12. Trade and Other Receivables

	Notes	2013	2012
CURRENT		**$**	**$**
Trade debtors	12 (a) (b)	479,687	442,347
Provision for impairment of receivables	12 (c)	-	-
		479,687	442,347
Total current trade and other receivables		479,687	442,347

The carrying amount is a reasonable approximation of the fair value of trade and non-trade receivables.

Terms and conditions relating to the above financial instruments:
a. Trade debtors are non-interest bearing and generally on trade terms of less than 30 days.

b. The Group does not hold any formal collateral in relation to trade debtors.

c. Provision for Impairment of Receivables

	Year ended	Opening Balance	Charge for the Year	Amounts Written Off	Closing Balance
Provision for impairment - Current trade receivables	**2013**	-	-	-	-
		-	-	-	-
Provision for impairment - Current trade receivables	**2012**	-	-	-	-
		-	-	-	-

Credit risk

The Group has no significant concerntration of credit risk with respect to any single counterparty or group of counterparties. The class of assets described as "trade and other receivables" is considered to be the primary source of credit risk to the Group.

On a geographical basis, the Group' has a credit risk exposure in Australia given its substantial operations in Australia. The group's exposure to credit risk for receivables at the end of the reporting period is summairsed be geographical region as follows:

	2013	2012
REGION	$	$
Australia	479,687	442,347
Other geographical areas	-	-
	479,687	442,347

Notes to the Financial Statements (continued)

30 JUNE 2013

Note 12. Trade and Other Receivables (continued)

The following table details the Group's trade and other receivables exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as "past due" when the debt has not been settled within the terms and conditions agreed between the Group and the customer or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Group.

The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

	Gross Amount	Past Due and impaired	Past Due but Not Impaired (Days Overdue)			Within Initial Trade Terms
			< 30 days	31-90 days	> 90 days	
2013						
Trade and other receivables	479,687	-	464,766	14,921	-	464,766
	479,687	-	464,766	14,921	-	464,766

	Gross Amount	Past Due and impaired	Past Due but Not Impaired (Days Overdue)			Within Initial Trade Terms
			< 30 days	31-90 days	> 90 days	
2012						
Trade and other receivables	442,347	-	413,513	28,313	521	413,513
	442,347	-	413,513	28,313	521	413,513

Collateral Pledged
A floating charge over trade receivables has been provided for certain debt. Refer to Note 20 for further details.

Note 13. Inventories

	2013 $	2012 $
CURRENT		
Work in progress - at cost	58,046	7,985
Finished goods - at cost	86,524	78,875
	144,570	86,860

Note 14. Other Assets

	2013 $	2012 $
CURRENT		
Prepayments	226,846	38,929
Deposits with suppliers	11,660	1,660
	238,506	40,589

Note 15. Investments Accounted for Using the Equity Method

	Notes	2013 $	2012 $
Associated companies	16(a)	872,655	855,940
		872,655	855,940

Note 16. Associated Companies

Interests are held in the following associated companies:

Name	Notes	Principal Activities	Country of incorporation	Shares	Ownership interest 2013 %	Ownership interest 2012 %	Carrying Amount of Investment 2013 $	Carrying Amount of Investment 2012 $
Unlisted:								
Armstrong Registry Services Pty Ltd	16 (i)	Share registry services	Australia	Ordinary	30	30	872,655	855,940
							872,655	855,940

(i) Armstrong Registry Services Pty Ltd is a is a boutique registry service provider for listed and unlisted companies and trusts throughout Australia.

	2013 $	2012 $
a. Movements during the year in equity accounted investment in associated companies:		
Balance at beginning of the financial year	855,940	822,247
Add: New investments during the year	-	-
Share of associated company's profit after income tax	16,715	33,693
Less: Dividend revenue from associate company	-	-
Balance at the end of the financial year	872,655	855,940
b. Equity accounted profits of associates are broken down as follows:		
Share of associated company's profit before income tax expense	23,878	50,384
Share of associate company's income tax expense	(7,163)	(15,115)
Share of associated company's profit after income tax expense	16,715	35,269
c. Summarised presentation of aggregate assets, liabilities and performance of associates:		
Current assets	192,864	208,682
Non-current assets	896,482	859,487
Total assets	1,089,346	1,068,169
Current liabilities	73,692	108,231
Non-current liabilities	-	-
Total liabilities	73,692	108,231
Net assets	1,015,654	959,938
Revenues	736,183	499,870
Profit after income tax of associates	55,716	117,561

Note 17. Controlled Entities

a. Controlled Entities Consolidated

	Notes	Shares	Percentage owned (%) 2013 %	2012 %	Country of Incorporation
Subsidiaries of Print Mail Logistics Limited:					
Print Mail Logistics (Equipment) Pty Ltd	17 (b)(i)	Fully Paid Ordinary	100	-	Incorporated and domiciled in Australia
Print Mail Logistics (International) Pty Ltd		Fully Paid Ordinary	100	100	Incorporated and domiciled in Australia
Print Mail Logistics (International) Pty Ltd	17 (b)(ii)	Partly Paid Ordinary	31.8	-	Incorporated and domiciled in Australia
666666 Pty Ltd	17 (b)(iii)	Fully Paid Ordinary	-	100	Incorporated and domiciled in Australia

b. Acquisition and Disposal of Controlled Entities

(i) On 17 December 2012, the parent entity applied for the allotment to it of 2 Ordinary shares (representing 100% of the ordinary shares on issue) of $1.00 each in Print Mail Logistics (Equipment) Pty Ltd. The acquisition resulted in Print Mail Logistics Limited obtaining control of Print Mail Logistics (Equipment) Pty Ltd. The consideration was paid in cash.

(ii) On 10 May 2013, Print Mail Logistics (International) Pty Ltd released an Information Memorandum for the issue of up to 2,000,000 Ordinary Shares Partly Paid to $0.25 per share (the "Offer").

Partly paid Ordinary Shareholders only carry a right to receive a notice to attend and to vote at a general meeting of Print Mail Logistics (International) Pty Ltd in the following circumstances:
(a) when the resolution being voted on at the general meeting is for the winding up of the Company - on a proportional basis to the paid up capital of the shares held; or
(b) when a resolution being voted on affects the rights attaching to the ordinary shares which are partly paid - on the basis of 1 vote per share held.

On 22 May 2013, the Offer was closed and it was resolved that 2,000,000 ordinary shares partly paid to $0.25 each (being the maximum number of Ordinary shares offered under the Information Memorandum) in Print Mail Logistics (International) Pty Ltd be alloted to the Applicants pursuant to the Offer.

The parenty entity subscribed for and was alloted 956,000 ordinary shares partly paid to $0.25 each ($239,000) in the Offer.

Since the allotment of shares pursuant to the Offer, the parent entity has transferred ordinary shares partly paid to $0.25 each as follows:

	Date	No. of ordinary shares partly paid to $0.25 each	Consideration (per share) $	Consideration (total) $
Opening balance	**22-May-13**	**956,000**	0.25	239,000
Sale of securities	31-May-13	(60,000)	0.25	15,000
Sale of securities	3-Jun-13	(100,000)	0.25	25,000
Sale of securities	11-Jun-13	(60,000)	0.25	15,000
Sale of securities	28-Jun-13	(100,000)	1.25	125,000
Closing balance	**30-Jun-13**	**636,000**		

Prior to the Offer and at balance date, the parent entity held 25,000 of the 25,000 fully paid ordinary shares on issue representing 100% of that class of shares on issue.

At balance date, the parent entity held 636,000 of the 2,000,000 ordinary shares partly paid to $0.25 each representing 31.8% of the class of shares on issue.

Notes to the Financial Statements (continued)

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Note 17. Controlled Entities (continued)

(iii) On 16 February 2012, the sole member of 666666 Pty Ltd, being Print Mail Logistics Limited, resolved to place the company in liquidation (Member's Voluntary Liquidation). The final meeting of members was held on 24 June 2013. Financial information relating to the discontinued operation to the date of disposal, being the date of the final meeting of members, is set out in Note. 6

c. Controlled entities with Ownership Interest of 50% or Less

The parenty entity holds 100% of the fully paid ordinary shares and 31.8% of the ordinary shares partly paid to $0.25 cents each in Print Mail Logistics (International) Pty Ltd.

Partly paid Ordinary Shareholders only carry a right to receive a notice to attend and to vote at a general meeting of Print Mail Logistics (International) Pty Ltd in the following circumstances:

(a) when the resolution being voted on at the general meeting is for the winding up of the Company - on a proportional basis to the paid up capital of the shares held; or

(b) when a resolution being voted on affects the rights attaching to the ordinary shares which are partly paid - on the basis of 1 vote per share held.

In consequence, the parenty entity is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Notes to the Financial Statements (continued)

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Note 18. Property, Plant and Equipment

	Notes	2013 $	2012 $
Land and Buildings			
Freehold land at:			
- cost		695,489	-
Total land		695,489	-
Buildings at:			
- cost	18 (i) (b) (c)	246,334	-
		246,334	-
Less: accumulated depreciation		-	-
Total buildings		246,334	-
Total land and buildings		941,823	-
Plant and Equipment			
Plant and Equipment:			
- at cost		4,949,431	5,603,482
		4,949,431	5,603,482
Less: accumulated depreciation		(3,251,143)	(3,801,097)
		1,698,288	1,802,385
Leased plant and equipment			
Capitalised leased assets			
- at cost		375,724	375,724
Less: accumulated depreciation		(149,400)	(116,671)
		226,324	259,053
Total plant and equipment		1,698,288	1,802,385
Total property, plant and equipment		2,640,111	1,802,385

(i) Capitalised borrowing costs and design and development application costs are included in building costs.

Notes to the Financial Statements (continued)

30 JUNE 2013

Note 18. Property, Plant and Equipment (continued)

a. Movements in Carrying Amounts

	Freehold Land (b) (c) $'000	Buildings (b) (c) $'000	Computer software and equipment $'000	Digital printing equipment $'000	Mail insertion equipment $'000	Finishing and bindery equipment $'000	Furniture and fittings $'000	Offset printing equipment $'000	Total $'000
At 1 July 2011	-	-	61	991	115	674	38	451	2,331
Additions	-	-	6	-	-	-	11	24	39
Disposals	-	-	-	-	-	-	-	-	-
Depreciation charge	-	-	(43)	(148)	(94)	(188)	(14)	(83)	(569)
Balance at 30 June 2012	-	-	24	843	21	486	35	392	1,802
At 1 July 2012	-	-	24	843	21	486	35	392	1,802
Additions	683	-	69	40	860	-	-	5	1,659
Disposals	-	-	-	(586)	-	-	-	-	(586)
Depreciation charge	-	-	(36)	(132)	(43)	(185)	(12)	(86)	(494)
Capitalised finance costs	13	-	-	-	-	-	-	-	13
Capitalised design and development costs	-	246	-	-	-	-	-	-	246
Balance at 30 June 2013	695	246	57	166	838	301	23	312	2,640

b. Capitalised finance costs	**2013 $**	**2012 $**
Borrowing costs incurred:		
- interest expense	8,263	-
- other borrowing costs	4,344	-
Borrowing costs capitalised	12,607	-

c. Capitalised design and development application costs	**2013 $**	**2012 $**
Design and development costs incurred:		
- Professional costs and disbursements	246,334	-
	246,334	-

Notes to the Financial Statements (continued)

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Note 19. Trade and Other Payables

	Notes	2013	2012
		$	$
CURRENT			
Unsecured liabilities			
Trade payables	19 (a)	374,248	490,390
Sundry payables and accrued expenses		310,804	360,503
Equipment vendor		527,050	-
Customer prepayments		-	199,998
Supplier credit/(debit) facility	19 (b)	17,600	16,393
		1,229,702	1,067,284

Terms and conditions relating to the above financial instruments:

a. Trade creditors are non-interest bearing and payable generally on 30 day terms.
b. The supplier credit/(debit) facility is non-interest bearing and has a maximum limit of $50,000 (2012: $25,000) at balance date.

Notes to the Financial Statements (continued)

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Note 20. Borrowings

	Notes	2013 $	2012 $
CURRENT			
Unsecured liabilities			
Bank credit card		19,332	16,860
Lease liability	24	87,143	395,140
Promissory note	20(d)	200,000	-
Loan - other party	20(f)	-	190,529
Loan - related party		-	13,454
		306,475	615,983
Secured liabilities			
Bank loans	20(a)(c)(e)	862,914	995,540
Mortgage loans	20(a)(c)	6,478	-
		869,392	995,540
Total current borrowings		1,175,867	1,611,523
NON-CURRENT			
Unsecured liabilities			
Loan - other party	20(f)	196,576	-
Lease liability	24	246,057	-
		442,632	-
Secured liabilities			
Bank loans	20(a)(c)	-	-
Mortgage loan	20(a)(c)	303,935	-
		303,935	-
Total non-current borrowings		746,568	-
Total borrowings		1,922,435	1,611,523
a. Total current and non-current secured liabilities			
Bank loan		862,914	995,540
Mortgage loan		303,935	-
		1,166,849	995,540
b. Carrying amounts of non-current assets pledged as security:			
Freehold land and buildings		941,823	-
Plant and equipment		2,640,111	1,802,385
Floating charge over assets		772,707	593,013
		4,354,641	2,395,398

Notes to the Financial Statements (continued)

30 JUNE 2013

20. Borrowings (continued)

c. Collateral provided

The bank loan is secured by a first registered charge over certain assets and undertakings owned by the parent entity and a general security agreement over all present and after-acquired property. The bank loan is also secured by a Guarantee and Indemnity from Print Mail Logistics (Equipment) Pty Ltd and general security agreement given by Print Mail Logistics (Equipment) Pty Ltd.

The mortgage loan is secured by (i) a registered general security agreement over the assets and undertakings of Print Mail Logistics (International) Pty Ltd, (ii) a first registered real property mortgage over freehold land and a Guarantee and Indmenity given by the parent entity.

Lease liabilities are secured by the underlying leased asset.

Financial assets that have been pledged as part of the total collateral for the benefit of mortgage holders and bank debt are as follows:

	2013 $	2012 $
Cash and cash equivelants	148,450	63,806
Trade receivables	479,687	442,347
	628,137	506,153

d. Promissory note

The promissory note is non-interest bearing and fell due on 12 August 2013. Subsequent to balance date, $25,000 was repaid and the balance of $175,000 is outstanding.

e. Bank loan

The bank loan facility matures on 28 February 2014.

f. Loan - other party

The loan is denominated in British Pounds Sterling. The principle debt of £124,000 bears interest at the rate of 9% per annum with the maturity date now being 1 July 2014.

Notes to the Financial Statements (continued)

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Note 21. Tax

	Opening Balance	Brought to Account	Charged to Statement of Comprehensive Income	Charged to Equity	Closing Balance
	$	$	$	$	$
NON-CURRENT					
Deferred tax liability					
Equity accounted profits	(11,982)		(5,015)		(16,997)
Other items	9,471		(10,498)		(1,027)
	(2,511)	-	(15,513)	-	(18,024)
Deferred tax asset					
Property, plant and equipment	(18,755)		93,282		74,527
Employee provisions	80,554		(14,032)		66,522
Creditors and accruals	59,839		(38,752)		21,087
Transaction costs	89,414		(43,789)		45,625
Tax losses	571,922		7,677		579,599
	782,974	-	4,386	-	787,360

Notes to the Financial Statements (continued)

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Note 22. Provisions

	Notes	Employee Benefits	Total
Opening balance at 1 July 2012		250,006	250,006
Additional provisions		220,065	220,065
Amounts used		(248,333)	(248,333)
Balance at 30 June 2013	22(a)	221,738	221,738

	2013 $	2012 $
Analysis of total provisions		
Current		
Annual leave accrual	86,534	103,745
	86,534	103,745
Non-current		
Long service leave provision	135,205	146,261
	135,205	146,261
	221,738	250,006

a. Provision for employee benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision represents the total amount accrued for annual leave entitlements and includes an allowance for on-costs.

The non-current portion for this provision represents the total amount accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Group does not expect the full amount of annual leave to be settled within the next 12 months. However, these amounts have been classified as current liabilities since the Group does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

Note 23. Issued Capital

	2013 Number of shares	2013 $	2012 Number of shares	2012 $
Fully paid ordinary shares	33,346,000	8,878,269	29,866,687	8,356,372
	33,346,000	8,878,269	29,866,687	8,356,372

a. Movements in ordinary shares

	2013 Number of shares	2013 $	2012 Number of shares	2012 $
Beginning of the financial year	29,866,687	8,356,372	27,375,000	7,982,619
Shares issued during the year				
- Rights issue	3,479,313	521,897	2,491,687	373,753
At the end of the reporting period	33,346,000	8,878,269	29,866,687	8,356,372

b. Terms and conditions of contributed equity

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

c. Movements in equity component of convertible notes - issued in 2008	2013 Number of Notes	2013 $	2012 Number of Notes	2012 $
Beginning of the financial year	-	414,065	-	414,065
Issued during the year	-	-	-	-
Equity component of convertible notes redeemed during the year	-	-	-	-
Converted during the year	-	-	-	-
End of the financial year	-	414,065	-	414,065

d. Terms and conditions of convertible notes

The Convertible Notes were issued on the following basis:

Issuer: Print Mail Logistics Limited.
Note holder: LSL Holdings Pty Ltd (In Liquidation).
Security: Three separate fixed and floating charges.
The Convertible Notes on hand at 1 July 2010 each had a face value of $250,000 and bore interest at 1% per annum payable six monthly in arrears. The Notes were repaid in full on 22 September 2010.

Note 23. Issued Capital (continued)

	2013	2012
	$	$
e. Movements in transaction costs		
Beginning of the financial year	(460,790)	(460,790)
Incurred during the year	(51,027)	-
End of the financial year	(511,817)	(460,790)

f. Transaction costs

Transaction costs relate to various costs in issuing equity instruments including legal and professional advisory fees, printing and distribution costs. Transaction costs are accounted for as a deduction from equity in accordance with AASB 132 *Financial Instruments: Presentation* .

	2013	2012
g. Total issued capital	$	$
Issued Capital	8,878,269	8,356,372
Equity component of convertible notes	414,065	414,065
Transaction costs	(511,817)	(460,790)
	8,780,517	8,309,647

h. Shares held by Associate

	2013		2012	
	Number of shares	$	Number of shares	$
Fully paid shares held by Associate	2,720,000	816,000	2,720,000	816,000

i. Capital Management

Management controls the capital of the Group in order to maintain a sustainable debt to equity ratio, generate long-term shareholder value and ensure that the group can fund its operations and continue as a going concern.

The Group's debt and capital include ordinary share capital and financial liabilities that are supported by financial assets. The Group is not subject to any externally imposed capital requirements.

Management effectively manages the group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses included the management of debt levels and share issues.

There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year. This strategy is to ensure that the Group's gearing ratio remains between 10% and 50%. The gearing ratios for the years ended 30 June 2013 and 30 June 2012 are as follows:

		2013	2012
	Notes	$	$
Total borrowings	20	1,922,435	1,611,523
Less: cash and cash equivalents	11	(148,450)	(63,806)
Net debt		1,773,985	1,547,717
Total equity		8,780,517	8,309,647
Total capital		10,554,502	9,857,364
Gearing ratio		16.81%	15.70%

Notes to the Financial Statements (continued)

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Note 24. Capital and Leasing Commitments

a. Finance Lease Commitments	**2013** **$**	**2012** **$**
Payable - minimum lease payments		
- not later than 12 months	120,369	426,447
- between 12 months and five years	281,264	-
- later than five years	-	-
Minimum lease payments	401,633	426,447
Less future finance charges	(68,433)	(31,307)
Present value of minimum lease payments	333,200	395,140

The finance lease relates to an item of plant and equipment. The finance lease does not include any provision for contingent rent, terms of renewal, purchase options, escalation clauses or restrictive impositions such as those concerning dividends, additional debt or further leasing.

b. Operating Lease Commitments	**2013** **$**	**2012** **$**
Non-cancellable operating leases contracted for but not recognised in the financial statements:		
-Property		
Payable - minimum lease payments		
- not later than 12 months	175,816	246,217
- between 12 months and five years	-	-
- later than five years	-	-
Minimum lease payments - Property	175,816	246,217
-Equipment		
Payable - minimum lease payments		
- not later than 12 months	380,295	-
- between 12 months and five years	1,693,416	-
- later than five years	-	-
Minimum lease payments - Equipment	2,073,711	-
	2,249,527	246,217

The table below provides a general description of the Property leases in place at balance date:

Property	**Annual Rent**	**Term**	**Optional Lease Extension Term**	**Contingent Rent Payable**	**Significant Restrictions Imposed**
Property A	$108,570	01/07/2011 - 30/06/2013	31/03/2013	Nil	Nil
Property B	$65,776	19/07/2008 - 18/07/2011	19/07/2011 - 31/12/2013	Fixed rent of $63,860 for the period 19/07/2011 to 18/07/2012 and fixed rent of $65,776 for the period 19/07/2012 to 31/12/2013	Nil
Property C	$123,000	02/06/2008 - 01/06/2013	01/06/2013 - 31 December 2013	Market review referenced to the consumer price index assessed annually	Nil

Notes to the Financial Statements (continued)

30 JUNE 2013

Note 24. Capital and Leasing Commitments (continued)

c. Capital expenditure commitments	**2013 $**	**2012 $**
Capital expenditure commitments contracted for:		
- Property	100,000	-
- Plant and equipment	527,050	-
	627,050	-

d. Associates	**2013 $**	**2012 $**
Share of capital expenditure commitments contracted for:		
- Property	-	-
- Plant and equipment	-	-
	-	-

Note. 25 Contingent liabilities and contingent assets

There are no contingent liabilities or assets.

Note 26. Segment Information

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing the performance and determining the allocation of resources.

The Group is managed primarily on the basis of product category and service offerings since the diversification of the Group's operations inherently have notably different risk profiles and performance assessment criteria. Operating segments are therefore determined on the same basis.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics and are also similar with respect to the following:

- the products sold and/or services provided by the segment;
- the manufacturing process;
- the type or class of customer for the products or service;
- the distribution method; and
- external regulatory requirements.

Types of products and services by segment

(i) Printing

The printing segment prepares, prints, finishes and delivers printed material for public and private entities. All products and services are aggregated as one reportable segment as the products and services are similar in nature, they are manufactured and distributed to similar types of customers and they are subject to a similar regulatory environment.

Significant plant and equipment, including computer software and printing and finishing equipment, form the basis of the operating assets in this segment.

The mailing and distribution segment receives products from this segment. Transfer pricing is not applicable between segments given that customers are invoiced on a mutually exclusive basis for goods and services supplied by each segment.

(ii) Mailing and distribution

The mailing and distribution segment inserts printed material into envelopes and distributes envelopes and printed material both domestically and internationally. Distribution is primarily achieved through the engagement of third party suppliers.

Significant plant and equipment, primarily mail insertion machines, form the basis of the operating assets in this segment.

The mailing and distribution segment receives products from the printing segment. Transfer pricing is not applicable between segments given that clients are invoiced on a mutually exclusive basis for goods and services supplied by each segment.

Note 26. Segment Information (continued)

Basis of accounting for purposes of reporting by operating segments

Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors as the chief decision makers with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group as detailed in Note 1.

Inter-segment transactions

Transfer pricing is not applicable between segments given that clients are invoiced on a mutually exclusive basis for goods and services supplied by each segment.

Overhead expenditure is allocated to reporting segments based on the segments' overall proportion of revenue generation within the Group. The Board of Directors believe this is representative of likely consumption of head office expenditure that should be used in assessing segment performance and cost recoveries.

There are no inter-segment loans receivable or payable.

Segment assets

Where any asset is used across multiple segments, the asset is allocated to the segment that receives the majority of economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

Unless indicated otherwise in the segment assets note, investments in financial assets, deferred tax assets and intangible assets have not been allocated to operating segments.

Notes to the Financial Statements (continued)

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Note 26. Segment Information (continued)

(i) Segment performance

	Printing $	Mailing & Distribution $	Total $
Year Ended 30 June 2013			
Revenue			
External sales	3,978,941	2,660,385	6,639,326
Interest revenue	-	-	-
Total segment revenue	**3,978,941**	**2,660,385**	**6,639,326**
Reconciliation of segment revenue to group revenue			
- interest received			392
- gain on disposal of property, plant and equipment			156,427
- gain on disposal of investments			100,000
- other income			56,739
Total group revenue			**6,952,884**
Segment net profit/(loss) before tax	**175,578**	**165,486**	**341,064**
Reconciliation of segment result to group net profit/(loss) before tax			
Amounts not included in segment result but reviewed by the Board:			
- interest received			392
- gain on disposal of property, plant and equipment			156,427
- gain on disposal of investments			100,000
- other income			56,739
Unallocated items:			
Share of net profits/(loss) of associates			16,715
Corporate charges			(521,528)
Finance costs			(174,690)
Net profit/(loss) before tax from continuing operations			**(24,881)**

Notes to the Financial Statements (continued)

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Note 26. Segment Information (continued)

(i) Segment performance (continued)

	Printing $	Mailing & Distribution $	Total $
Year Ended 30 June 2012			
Revenue			
External sales	3,660,241	2,656,106	6,316,347
Interest revenue	-	-	-
Total segment revenue	**3,660,241**	**2,656,106**	**6,316,347**
Reconciliation of segment revenue to group revenue			
Gain on forgiveness of loan			49,900
Other unallocated income			131,339
Total group revenue			**6,497,586**
Segment net profit/(loss) before tax	**(534,342)**	**168,246**	**(366,096)**
Reconciliation of segment result to group net profit/(loss) before tax			
Amounts not included in segment result but reviewed by the Board:			
Other un-allocated income			131,339
Gain on forgiveness of loan			49,900
Unallocated items:			
Share of net profits/(loss) of associates			33,693
Corporate charges			(696,722)
Finance costs			(199,669)
Net profit/(loss) before tax from continuing operations			**(1,047,555)**

Notes to the Financial Statements (continued)

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Note 26. Segment Information (continued)

(ii) Segment assets

	Printing $	Mailing & Distribution $	Total $
As At 30 June 2013			
Segment assets	921,543	839,410	1,760,953
	921,543	**839,410**	1,760,953
Reconciliation of segment assets to group assets			
Unallocated assets			1,890,370
Deferred tax assets			787,360
Investment in associates			872,655
Total group assets from continuing operations			**5,311,338**

	Printing $	Mailing & Distribution $	Total $
As At 30 June 2012			
Segment assets	1,808,130	21,729	1,829,859
	1,808,130	**21,729**	1,829,859
Reconciliation of segment assets to group assets			
Unallocated assets			606,128
Deferred tax assets			801,729
Investment in associates			855,940
Total group assets from continuing operations			**4,093,656**

Notes to the Financial Statements (continued)

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Note 26. Segment Information (continued)

(iii) Segment liabilities
The Consolidated Entity's liabilities are not allocated to operating segments for the purpose of internal reporting. Accordingly segment liabilities are not seperately disclosed in accordance with *AASB 8 Operating Segments*.

(iv) Revenue by geographical region
Revenue attributable to external customers is disclosed below, based on the geographical location of the external customer:

	Year Ended 30 June 2013 $	Year Ended 30 June 2012 $
Australia	6,639,326	6,316,347
Total revenue	**6,639,326**	**6,316,347**

(v) Assets by geographical region
The location of segment assets is disclosed below, based on the geographical location of the assets:

	Balance as at 30 June 2013 $	Balance as at 30 June 2012 $
Australia	1,760,953	1,829,859
Total assets	**1,760,953**	**1,829,859**

(vi) Major customers
The Group has a number of customers to which it renders services. The Group has one external customer which accounts for 8% (2012: 11%) of Printing revenue, 27% (2012: 28%) of Mailing and distribution revenue and 15% (2012: 18%) of total external revenue.

Notes to the Financial Statements (continued)

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Note 27: Cash flow information

	Notes	2013 $	2012 $
a. Reconciliation of Cash Flow from Operations with Profit after Income Tax			
Profit/(Loss) after income tax		(24,021)	(740,512)
Non-cash flows in profit/(loss)			
Depreciation expense		494,122	568,926
Loss on foreign currency translation	4	(6,047)	4,616
Profit on forgiveness of loan	4	-	(49,900)
Net gain on disposal of property, plant and equipment	4	(156,427)	-
Net gain on disposal of investments	4	(100,000)	-
Share of associated companies' net profit after income tax and dividends	4	(16,715)	(33,694)
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries			
(increase)/decrease in trade and other receivables	12	(37,340)	8,649
(increase)/decrease in other assets	14	(187,917)	486
(increase)/decrease in inventories	13	(57,710)	12,915
(increase)/decrease in deferred tax	5	(860)	(307,043)
increase/(decrease) in trade and other payables	19	(389,931)	637,617
increase/(decrease) in lease liability	20	(61,940)	-
increase/(decrease) provisions	22	(28,268)	48,311
Cash flow from/(used in) operations		(573,052)	150,371

b. Cash balance comprises:		2013 $	2012 $
- Cash and cash equivalents	11	148,450	63,806
Closing cash and cash equivelants	11	148,450	63,806

c. Non-cash Financing and Investing activities

During the year, the Group acquired 2 items of plant and equipment with an aggregate value of $946,000. Of this amount, $418,950 was settled in cash prior to 30 June 2013 and the balance of $527,050 is included in trade and other payables in Note 19. The balance payable at 30 June 2013, being $527,050 is not reflected in the statement of cash flows.

d. Loan facilities		2013 $	2012 $
Loan facilities available			
- Bank loan	20	862,914	995,540
- Bank overdraft	20	-	280,000
- Bank credit card	20	25,000	25,000
		887,914	1,300,540
Amount utilised	20	882,246	1,012,400
Unutilised amount		5,668	288,140

Finance may be provided under all facilities on the condition that the Company and the Group have not breached any borrowing requirements and the required financial ratios are met.

Note 28. Events after the Reporting Period

Other than the following, the directors are not aware of any significant events since the end of the reporting period.
On September 6, 2013 Print Mail Logistics (International) Pty Ltd exchanged contracts to purchase a parcel of land of approximately 1,595 square metres for $215,000. The required deposit of $21,500 has been paid. The contract contemplates a 90 day settlement and it is intended to fund the balance of the purchase price by way of a loan from an institutional lender and, to the extent required, from Print Mail Logistics (International) Pty Ltd's resources.

Note 29. Related Party Transactions

a. The Group's main related parties are as follows:
(i) Parent entity
The parent entity is Print Mail Logistics Limited

(ii) Subsidiaries
A subsidiary is an entity that is controlled by the parent entity. Control exists where the investee is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.
For details of disclosures relating to controlled entities, refer to Note 17. Controlled Entities.

(iii) Key management personnel:
Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity, are considered key management personnel.
For details of disclosures relating to key management personnel, refer to Note 7. Key Management Personnel Compensation.

(iv) Entities subject to significant influence by the Group:
An entity that has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity which holds significant influence. Significant influence may be gained by share ownership, statute or agreement.
For details of interests held in associated companies refer to Note 16. Associated Companies.

(v) Other related parties:
Other related parties include entities controlled by the ultimate parent entity and entities over which key management personnel have joint control.

Note 29. Related Party Transactions (continued)

b. Transactions with related parties:

Transactions with related parties are on normal commercial terms and conditions no more favorable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

	2013 $	2012 $
(i) Parent entity		
Sale of goods and services:		
- Armstrong Registry Services Pty Ltd	48,461	1,575
Purchase of goods and services:		
- Armstrong Registry Services Pty Ltd	7,551	100
(ii) Subsidiaries		
Purchase of goods and services:		
- Armstrong Registry Services Pty Ltd	20,000	-
Interest expense:		
- Armstrong Registry Services Pty Ltd	2,126	-
(iii) Entities subject to significant influence by the Group:		
Sale of goods and services:		
- Print Mail Logistics Limited	7,551	100
- Print Mail Logistics (International) Pty Ltd	20,000	-
Purchase of goods and services:		
- Print Mail Logistics Limited	48,461	1,575
Interest revenue:		
- Armstrong Registry Services Pty Ltd	2,126	-

Notes to the Financial Statements (continued)

30 JUNE 2013

Note 29. Related Party Transactions (continued)

c. Amounts outstanding from related parties

Trade and other receivables

Unsecured, at call loans are made to the parent entity, subsidiaries, directors, key management personnel and other related parties.

	2013 $	2012 $
(i) Loans to key management personnel:		
Beginning of the year	39,323	52,942
Loans advanced	800,411	795,859
Loan repayment received	(786,957)	(809,478)
Interest charged	-	-
Interest received	-	-
Balance at end of the year	52,777	39,323
The number of KMP who have received loans during the period:	1	1

	2013 $	2012 $
The highest amount of indebtedness during the reporting period for each KMP who received loans:		
N B Elias	131,204	51,672

Temporary loans advanced and repaid during the year do not incur interest. Loans are unsecured and repayable at call.

Notes to the Financial Statements (continued)

30 JUNE 2013

Note 29. Related Party Transactions (continued)

d. Amounts payable to related parties

Trade and other payables

Unsecured, at call loans are provided by the parent entity, subsidiaries, directors, key management personnel and other related parties.

	2013 $	2012 $
(i) Loans from key management personnel:		
Beginning of the year	13,454	(165)
Loans advanced	786,957	809,478
Loan repayment received	(800,411)	(795,859)
Interest charged	-	-
Interest received	-	-
Balance at end of the year	-	13,454
(ii) Loans from entities subject to significant influence by the Group:		
Beginning of the year	52,777	52,777
Loans advanced	100,000	-
Loan repayment received	(100,000)	-
Interest charged	2,126	-
Interest received	(2,126)	-
Balance at end of the year	52,777	52,777

Note 30. Financial Instruments

Financial risk management policies
The Group's financial instruments consist mainly of deposits with banks, trade receivables, investment in a private company, trade payables, loans to and from related and other parties and a bank overdraft facility.

The Group does not have any derivative instruments at 30 June 2013 (2012: $nil).

(i) Treasury risk management
The Board of Directors meet on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

The Group's overall risk mangament strategy seeks to assist the Group in meeting its financial targets, whilst minimising potential effects on financial performance.

(ii) Capital management
The Board's policy is to use any surplus cash to (i) meet the Group's operating financial requirements and (ii) meet its existing debt obligations.

(iii) Financial risk exposures and management
The main risks the Group is exposed to through its financial instruments are interest rate risk, credit risk and liquidity risk.

(a) Interest rate risk
The Group's exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised at the reporting date, are set out in the following tables:

Note 30. Financial Instruments (continued)

Financial instrument composition and maturity analysis

The tables below reflect the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts may not reconcile to the Statement of Financial Position.

Financial instruments	Floating interest rate		Fixed Interest Rate – Within 1 year		Fixed Interest Rate – Over 1 to 5 years		Fixed Interest Rate – More than 5 years		Non-interest bearing		Total		Weighted average effective interest rate	
	2013 $('000)	2012 $('000)	2013 $('000)	2012 $('000)	2013 $('000)	2012 $('000)	2013 $('000)	2012 $('000)	2013 $('000)	2012 $('000)	2013 $('000)	2012 $('000)	2013 %	2012 %
(i) Financial assets														
Cash and cash equivalents	148	64	-	-	-	-	-	-	-	-	148	64	1	1
Trade debtors	-	-	-	-	-	-	-	-	480	442	480	442	-	-
Total financial assets	148	64	-	-	-	-	-	-	480	442	628	506	-	-

Financial instruments	Floating interest rate		Fixed Interest Rate – Within 1 year		Fixed Interest Rate – Over 1 to 5 years		Fixed Interest Rate – More than 5 years		Non-interest bearing		Total		Weighted average effective interest rate	
	2013 $('000)	2012 $('000)	2013 $('000)	2012 $('000)	2013 $('000)	2012 $('000)	2013 $('000)	2012 $('000)	2013 $('000)	2012 $('000)	2013 $('000)	2012 $('000)	2013 %	2012 %
(ii) Financial liabilities														
Trade payables	-	-	-	-	-	-	-	-	374	490	374	490	-	-
Other payables	-	-	-	-	-	-	-	-	855	547	855	547	-	-
Credit card facility	19	16	-	-	-	-	-	-	-	-	19	16	13	13
Promissory note	-	-	-	-	-	-	-	-	200	-	200	-	-	-
Bank loan	863	996	-	-	-	-	-	-	-	-	863	996	9	8
Mortgage loan	310	-	-	-	-	-	-	-	-	-	310	-	8	-
Lease liability	-	-	87	395	246	-	-	-	-	-	333	395	11	11
Loans - other	-	-	-	191	197	-	-	-	-	13	197	204	9	9
Total financial liabilities	1,193	1,012	87	586	443	-	-	-	1,430	1,050	3,152	2,648	5	5

Note 30. Financial Instruments (continued)

(b) Net fair values

All financial assets and liabilities have been recognised at the reporting date at their net fair values.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the Statement of Financial Position and in the Notes to the financial statements.

(i) The following methods and assumptions are used to determine the net fair values of financial assets and liabilities.

Cash and cash equivalents: The carrying amount approximates fair value because of the short term to maturity.
Trade receivables, trade creditors: The carrying value approximates fair value.
Long term loans and borrowings: The carrying value approximates fair value.

Based on the above valuation methodologies, management considers that fair values are materially in line with carrying values.

(c) Credit risk exposures

The Group's maximum exposures to credit risk at reporting date in relation to each class of recognised financial assets, is the carrying amount of those assets as indicated in the Statement of Financial Position.

The Group minimises concentrations of credit risk in relation to trade receivables by undertaking transactions with a large number of customers.

Concentrations of credit risk on trade receivables arise as follows:

	Maximum credit risk exposure* for each concentration			
	Percentage of total trade debtors		$'000	
	2013	2012	2013	2012
Government/Semi-Government	64	67	306	298
Other non-concentrated	36	33	173	144
	100	100	479	442

* The maximum credit risk exposure does not take into account the value of any collateral or other security held, in the event other entities/parties fail to perform their obligations under the financial instruments in question.

Credit risk in trade receivables is managed as follows:
- payment terms generally less than 30 days;
- credit applications are completed for all new customers; and
- large balances are monitored on a daily basis.

Notes to the Financial Statements (continued)

30 JUNE 2013

Note 30. Financial Instruments (continued)

(d) Liquidity risk

The Group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

2013

Contractual maturity:	Liability	Contracted Cashflow	Due < 1 year	Due 1-5 years	Due > 5 years
Consolidated Entity					
Trade and other payables	1,229,702	1,229,702	1,229,702	-	-
Credit card facility	19,332	19,332	19,332	-	-
Promissory note	200,000	200,000	200,000	-	-
Bank loan	862,914	862,914	862,914	-	-
Mortgage loan	310,413	310,413	6,478	37,689	266,246
Lease liability	333,200	401,633	120,369	281,264	-
Loans - other	196,576	196,576	-	196,576	-

2012

Contractual maturity:	Liability	Contracted Cashflow	Due < 1 year	Due 1-5 years	Due > 5 years
Consolidated Entity					
Trade and other payables	1,067,284	1,067,284	1,067,284	-	-
Credit card facility	16,860	16,860	16,860	-	-
Bank loan	995,540	995,540	995,540	-	-
Lease liability	395,140	426,447	426,447	-	-
Loans - other	190,529	190,529	190,529	-	-

(e) Interest rate sensitivity analysis

The Group has performed a sensitivity analysis relating to its exposure to interest rate risk at reporting date and does not consider that a change in variable interest rates will have a material affect on the Group's current year results or equity.

Note 31. Reserves

The Group has not recognised or recorded any reserves within equity.

Note 32. Economic Dependency

The Group is not economically dependent on any entity or group of entities.

Note 33. Company Details

The registered office of the company is:

Print Mail Logistics Limited
Ground Floor
30 Davey Street
Hobart TAS 7000

The principal places of business are:

- Print Mail Logistics Limited
  Head office
  Ground Floor
  30 Davey Street
  Hobart TAS 7000

- Print Mail Logistics Limited
  Printing and finishing division
  Level 2 and Basement
  24 Davey Street
  Hobart TAS 7000

- Print Mail Logistics Limited
  Mailing division
  28 Patriarch Drive
  Huntingfield TAS 7055

Directors' Declaration

In the Directors' opinion:

(a) the financial statements and the notes of the Company are in accordance with the *Corporations Act 2001*, including:

   (i) giving a true and fair view of the Company's and Group's financial position as at 30 June 2013 and of its performance for the year ended on that date; and

   (ii) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

   (iii) complying with International Financial Reporting Standards issued by the International Accounting Standards Board as disclosed in Note 1(a); and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

(c) the Managing Director and Chief Financial Officer have each provided the declarations required by section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of the Board of Directors.

John W Woods
Chairman

12 September 2013
Date
Hobart, Tasmania

DBW | Chartered Accountants

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North Sydney NSW 2059

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INDEPENDENT AUDITOR'S REPORT
To the members of Print Mail Logistics Limited

Report on the Financial Report
We have audited the accompanying financial report of Print Mail Logistics Limited, which comprises the consolidated statement of financial position as at 30 June 2013, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report
The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards (IFRS).

Auditor's Responsibility
Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence
In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of Print Mail Logistics Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Auditor's Opinion

In our opinion:

a. the financial report of Print Mail Logistics Limited is in accordance with the Corporations Act 2001, including:

   i. giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of their fair performance for the year ended on that date; and
   ii. complying with Australian Accounting Standards and the Corporations Regulations 2001; and

b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the remuneration report included in pages 9 to 12 of the directors' report for the year ended 30 June 2013. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with s 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the remuneration report of Print Mail Logistics Limited for the period ended 30 June 2013 complies with s 300A of the Corporations Act 2001.

Crofts Assurance & Advisory Pty Limited

Matthew Duggan
Auditor

Signed at Sydney 12 September 2013

Shareholder Information

A. Substantial Shareholders as at 12 September 2013

Name	Shareholding	% of Issued Capital
Landav Pty Ltd	6,785,000	20.35%
NSS Trustees Limited	4,159,813	12.47%
Mr Nigel Benjamin Elias	2,887,720	8.66%
Armstrong Registry Services Limited	2,720,000	8.16%
Mr J Capo-Bianco & Mrs S Capo-Bianco & NSS Trustees Ltd	2,505,580	7.51%
Pumbaa Investment Pty Ltd	2,500,000	7.50%

B. Distribution of Fully Paid Ordinary Shares as at 12 September 2013

Number	Holders	Shares
1 - 1,000	-	-
1,001 - 5,000	-	-
5,001 - 10,000	38	267,000
10,001 - 100,000	51	1,244,200
100,001 and over	28	31,834,800
Total	**117**	**33,346,000**

C. Twenty Largest Shareholders as at 12 September 2013

Name	Shareholding	% of Issued Capital
Landav Pty Ltd	6,785,000	20.35%
NSS Trustees Limited	4,159,813	12.47%
Mr Nigel Benjamin Elias	2,887,720	8.66%
Armstrong Registry Services Limited	2,720,000	8.16%
Mr J Capo-Bianco & Mrs S Capo-Bianco & NSS Trustees Ltd	2,505,580	7.51%
Pumbaa Investment Pty Ltd	2,500,000	7.50%
Dermos Pty Ltd	1,583,000	4.75%
Mr David Harris Stewart	1,177,000	3.53%
Mr Marc Hoegger	1,041,787	3.12%
Mr Robert Craig Cameron	928,000	2.78%
Mrs Jane Anne George	831,000	2.49%
Wellington Capital Limited	500,000	1.50%
Estival Holdings Pty Ltd	400,000	1.20%
Hobart Properties and Securities Pty Ltd	400,000	1.20%
Lewis Securities Ltd	379,998	1.14%
Mrs Maree Ellis	373,500	1.12%
Jarok Pty Ltd	369,000	1.11%
HSBC Custody Nominees (Australia) Limited	363,666	1.09%
Inveham Pty Ltd	330,000	0.99%
Nigel Benjamin Elias and Benjamin Nissim Elias	328,000	0.98%
Total	**30,563,064**	**91.65%**

D. Voting Rights – Ordinary Shares

On a show of hands, every member, present in person or by proxy, shall have one vote and upon a poll every member, present in person or by proxy, shall have one vote for each share.