



29 September 2021

Andrew Ngeow
Branch President
The Pharmacy Guild of Australia-Western Australia Branch
Sent via email: reception@wa.guild.org.au
CC: perth@moorestephens.com.au

Dear Andrew Ngeow,

**The Pharmacy Guild of Australia-Western Australia Branch
Financial Report for the year ended 30 June 2021 – (FR2021/172)**

I acknowledge receipt of the financial report for the year ended 30 June 2021 for the Pharmacy Guild of Australia-Western Australia Branch. The documents were lodged with the Registered Organisations Commission (**the ROC**) on 23 September 2021.

The financial report has now been filed.

The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009 (RO Act)* have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements.

Please note that the financial report for the year ending 30 June 2022 may be subject to an advanced compliance review.

You are not required to take any further action in respect of the report lodged. I make the following comments to assist you when you next prepare a financial report.

You must rotate your registered auditor

Correspondence was provided to the reporting unit on 23 June 2021, which alerted you that your registered auditor is approaching their statutory limit on how many consecutive financial years they are permitted to audit your financial report. The financial report lodged identifies that Neil Pace was the reporting unit's registered auditor for this financial year. Our records indicate that you have now used your current registered auditor for five consecutive financial years, which is the statutory limit under section 256A.

Please ensure that Neil Pace is not assigned to audit the financial report of the reporting unit for at least the following two financial years. Further information on the rotation of registered auditor requirement can be found via [this link](#).

Notes to the financial statements

During the initial review of the financial report, I noted that Note 24: *Grants & Donations* within the notes to the financial statements, disclosed a total amount of \$30,761 paid for donations in the financial year. However, the loans, grants and donations statement (**LGD statement**) lodged on the 19 August 2021, disclosed a total of \$29,261.

I contacted the reporting unit on 27 September 2021 regarding this issue and on 28 September 2021 was advised by Janice Godsall, the reporting unit's Accountant, that the total amount of \$30,761 that was reported in the financial report was in fact correct. A donation made for an amount of \$1,500 was missing in the previously lodged LGD statement and the reporting unit has now provided an amended LGD statement.

I also note that the donation for \$1,500 is also missing in Note 23: *Grants and Donations over \$1000*. Please ensure in future reports that balances presented in financial statements reconcile with the amounts disclosed in the notes.

Provision of unaudited financial information

Included in the financial return for the reporting unit is additional financial data provided in a profit and loss account on pages 36-37. The financial data included in this statement was not covered under the statutory audit and the auditor has provided a disclaimer in which they do not express an opinion on this financial data and cannot warranty the accuracy or reliability in respect to the data provided. Please note that the ROC cannot use this information to assess whether the reporting unit has satisfied the disclosure requirements under the RO Act and the Australian Accounting Standards.

Please ensure that all relevant and required financial disclosures are included in the general purpose financial report which has been subject to the full statutory audit and covered by the auditor's opinion.

Reporting Requirements

The ROC website provides a number of factsheets in relation to the financial reporting process and associated timelines. The website also contains the s.253 reporting guidelines and a model set of financial statements.

The ROC recommends that reporting units use these model financial statements to assist in complying with the RO Act, the s.253 reporting guidelines and Australian Accounting Standards. Access to this information is available via [this link](#).

If you have any queries regarding this letter, please contact me on (03) 9603 0841 or by email at Mihiri.jayawardane@roc.gov.au.

Yours sincerely,



Mihiri Jayawardane
Registered Organisations Commission

The Pharmacy Guild of Australia (WA Branch)

s.268 Fair Work (Registered Organisations) Act 2009

Certificate by Prescribed Designated Officer¹

Certificate for the year ended 30 June 2021

I, *Andrew Ngeow* being the President of the Pharmacy Guild of Australia (WA Branch) certify:

- that the documents lodged herewith are copies of the full report for the Pharmacy Guild of Australia (WA Branch) for the period ended referred to in s.268 of the Fair Work (Registered Organisations) Act 2009; and
- that the full report was provided to members of the reporting unit on 18th August 2021; and
- that the full report was presented to a general meeting of members of the reporting unit on 21st September 2020 in accordance with s.266 of the Fair Work (Registered Organisations) Act 2009.

Signature of prescribed designated officer:

Andrew Ngeow

Name of prescribed designated officer:

Andrew Ngeow

Title of prescribed designated officer:

President

Dated: 21st September 2021

¹ Regulation 162 of the Fair Work (Registered Organisations) Regulations 2009 defines a 'prescribed designated officer' of a reporting unit for the purposes of s.268(c) as:

- (a) the secretary;
- (b) an officer of the organisation other than the secretary who is authorised by the organisation or by the rules of the organisation to sign the certificate mentioned in that paragraph.

**THE PHARMACY GUILD OF AUSTRALIA
WESTERN AUSTRALIAN BRANCH**

**FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

**THE PHARMACY GUILD OF AUSTRALIA
WESTERN AUSTRALIAN BRANCH**

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**THE PHARMACY GUILD OF AUSTRALIA
WESTERN AUSTRALIAN BRANCH**

COMMITTEE OF MANAGEMENT STATEMENT

On 17 August 2021 the Committee of Management of The Pharmacy Guild of Australia WA Branch passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30 June 2021:

The Committee of Management declares in relation to the GPFR that in its opinion:

- (a) The financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the RO Act);
- (c) The financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) There are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (e) During the financial year to which the GPFR relates and since the end of that year:
 - i. Meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - ii. The financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - iii. The financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
 - iv. Where the organisation consists of 2 or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
 - v. Where information has been sought in any request of a member of the reporting unit or the Commissioner duly made under section 272 of the RO Act, that information has been provided to the member or the Commissioner; and
 - vi. where any order for inspection of financial records made by the Fair Work Commission under section 273 of the RO Act, there has been compliance;

This declaration is true, and I know that it is an offence to make a declaration knowing that it is false in a material particular – for and on behalf of the Committee of Management:

Andrew Ngeow
Title of Office Held: President



Signature
Dated: 17 August 2021

THE PHARMACY GUILD OF AUSTRALIA WESTERN AUSTRALIAN BRANCH

OPERATING REPORT

I, Andrew Ngeow, being the designated officer responsible for preparing this report for the financial year ended 30 June 2021 of The Pharmacy Guild of Australia Western Australian Branch, report as follows:

1. Principal Activities:

- a) The Pharmacy Guild of Australia Western Australian Branch is an employers' organisation servicing the needs of proprietors of independent community pharmacies and to represent their interests in industrial matters.
- b) The Pharmacy Guild of Australia Western Australian Branch assists the National Council and the National Executive of The Pharmacy Guild of Australia ("the Guild") in carrying out the overall policy and objectives of the Guild.
- c) Included in the Annual Report are the various reports compiled by The Pharmacy Guild of Australia Western Australian Branch's President and Director outlining the activities for the year. There were no significant changes in the nature of these activities during the year under review.

2. Significant financial changes:

There have been no significant changes in The Pharmacy Guild of Australia Western Australian Branch's financial affairs during the period to which the report this report relates.

3. Operating Results:

The surplus for the year amounted to \$685,119 (2020: \$179,836 (deficit))

4. Members Advice:

- a) Under Section 174 of the Fair Work (Registered Organisations) Act 2009, a member may resign from a membership by written notice addressed and delivered to the Branch Director (Rule 36 of the Constitution);
- b) The register of members of the organisation was maintained in accordance with the Fair Work (Registered Organisations) Act 2009;
- c) Section 272 of the Fair Work (Registered Organisations) Act 2009 outlines members and the General Manager of FWC's rights to certain prescribed information.

5. Prescribed and other Information:

- a) As at 30 June 2021 to which this report relates the number of financial members of the organisation was 547 including Honorary Life Members;
- b) As at 30 June 2021 the total number of employees employed by the reporting entity was 17.
- c) The persons who have been members of the committee of management of The Pharmacy Guild of Australia Western Australian Branch during the reporting period are:

Branch Executive

Andrew Ngeow

President

Natalie Willis

National Councillor

Anthony Masi

Senior Vice President

National Councillor

Vice President (Finance)

Alternative National Councillor

Cont..

**THE PHARMACY GUILD OF AUSTRALIA
WESTERN AUSTRALIAN BRANCH**

OPERATING REPORT CONTINUED

Branch Executive cont..

Donna Pearson Vice President
Alternative National Councillor

Branch Committee

Greg Da Rui	Great Southern Country
Paul Rees	North Coast Metro
Paul Jardine	South Eastern Metro
Andrew Ngeow	Eastern Country
Anthony Masi	Fremantle Melville
Ernie Pirone	Northern Metro
David Manuel	Perth City
Tom Golovoda	South Coastal
Adrian Staltari	Eastern Metropolitan
Natalie Willis	South Perth Metro
Donna Pearson	West Coast Metro
Linda Keane	South West Country
Barbara Kirk	Northern Country District
Nicholas Partridge	North Eastern Metro

No officer or member of the reporting unit holds a position as a trustee or director of a superannuation entity or exempt public sector superannuation scheme where the criterion for holding such position is that they are an officer or member of an organisation.

6. Insurance of Officers:

During the financial year, The Pharmacy Guild of Australia Western Australian Branch paid insurance to cover all officers of The Pharmacy Guild of Australia Western Australian Branch. The officers of The Pharmacy Guild of Australia Western Australian Branch covered by the insurance policy include all the committees of management. Other officers covered by the contract are the management of The Pharmacy Guild of Australia Western Australian Branch. The liabilities insured include costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of The Pharmacy Guild of Australia Western Australian Branch



ANDREW NGEOW
Date: 17 August 2021

**THE PHARMACY GUILD OF AUSTRALIA
WESTERN AUSTRALIAN BRANCH**

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021**

	NOTE	2021 \$	2020 \$
Revenue	2	4,049,570	4,643,075
Employee benefits expense	21	(1,593,003)	(1,584,686)
National council dues		(516,916)	(526,983)
Other member services		(103,276)	(81,960)
Pharmacy forum costs		(569)	(209,239)
Depreciation and amortisation expense		(48,121)	(59,544)
Capitation Fees – Immunisation Course		(5,460)	(4,485)
Affiliation fees		-	-
Advertising Fees		(3,078)	(28,695)
Expenses incurred in holding meetings		(5,461)	(16,782)
Grants and donations	24	(623,625)	(1,694,668)
Finance costs		-	-
Legal costs- litigation		-	-
Legal costs - other		(84,461)	(34,855)
Audit fees		(22,250)	(22,250)
Compulsory levies paid		-	-
Consideration to employers for payroll deduction		-	-
Penalties imposed under to RO Act		-	-
Write down and impairment of assets		-	-
Net loss from sale of assets		-	-
Other expenses		<u>(358,231)</u>	<u>(558,764)</u>
Surplus (deficit) for the year		<u>685,119</u>	<u>(179,836)</u>
Other comprehensive Income		-	-
Items that will not be subsequently reclassified to profit or loss		-	-
Gain/(loss) on revaluation of land and buildings		<u>(200,000)</u>	<u>-</u>
Total comprehensive income for the year		<u>485,119</u>	<u>(179,836)</u>

The accompanying notes form part of these financial statements.

**THE PHARMACY GUILD OF AUSTRALIA
WESTERN AUSTRALIAN BRANCH**

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021**

	NOTE	2021 \$	2020 \$
CURRENT ASSETS			
Cash and cash equivalents	4	3,292,017	5,210,591
Trade and other receivables	5	206,830	21,819
Managed investments – at market value	18	2,916,017	1,992,026
Inventories	6	-	-
Other current assets	7	90,024	26,637
		6,504,888	7,251,073
Total Current Assets			
NON CURRENT ASSETS			
Trade and other receivables	5	-	-
Property, plant and equipment	8	2,638,661	2,840,852
Managed investments – at market value	18	800,000	-
		3,438,661	2,840,852
Total Non Current Assets			
TOTAL ASSETS		9,943,549	10,091,925
CURRENT LIABILITIES			
Trade and other payables	9	1,139,766	1,798,034
Short term provisions	10	330,972	303,288
		1,470,738	2,101,322
Total Current Liabilities			
NON CURRENT LIABILITIES			
Long term provisions	10	8,125	11,036
Trade and other payables	9	-	-
		8,125	11,036
Total Non Current Liabilities			
TOTAL LIABILITIES		1,478,863	2,112,358
NET ASSETS		8,464,686	7,979,567
EQUITY			
Reserves		2,247,500	2,447,500
Retained earnings		6,217,186	5,532,067
		8,464,686	7,979,567
TOTAL EQUITY		8,464,686	7,979,567

The accompanying notes form part of these financial statements.

**THE PHARMACY GUILD OF AUSTRALIA
WESTERN AUSTRALIAN BRANCH**

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021**

	Retained Earnings General \$	Retained Earnings Special Projects \$	Capital Equipment Replacement Reserve \$	Capital Building Reserve \$	Asset Revaluation Reserve \$	Total \$
Balance at 30 June 2020	2,223,535	3,488,368	154,348	516,297	1,776,855	8,159,403
Loss for the year	(179,836)	-	-	-	-	(179,836)
Transfer from general funds	-	-	-	-	-	-
Transfer to general funds	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-
Balance at 30 June 2020	2,043,699	3,488,368	154,348	516,297	1,776,855	7,979,567
Profit for the year	685,119	-	-	-	-	685,119
Transfer from general funds	-	-	-	-	-	-
Transfer to general funds	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	(200,000)	(200,000)
Balance at 30 June 2021	2,728,818	3,488,368	154,348	516,297	1,576,855	8,464,686

The accompanying notes form part of these financial statements.

**THE PHARMACY GUILD OF AUSTRALIA
WESTERN AUSTRALIAN BRANCH**

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2021**

	NOTE	2021 \$	2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members and grants		3,099,807	5,010,719
Payments to suppliers, employees and members		(4,009,977)	(4,083,850)
Interest received		25,300	69,954
		<hr/>	<hr/>
Net cash provided by operating activities	16	(884,870)	996,823
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant & equipment		26,363	-
Purchase of property, plant & equipment		(63,473)	(132,916)
Purchase of investments		(996,594)	(1,245,203)
		<hr/>	<hr/>
Net cash provided by (used in) investing activities		(1,033,704)	(1,378,119)
		<hr/>	<hr/>
Net increase/(decrease) in cash held		(1,918,574)	(381,296)
Cash at beginning of the year		5,210,591	5,591,887
		<hr/>	<hr/>
Cash at end of year	4	3,292,017	5,210,591
		<hr/>	<hr/>

The accompanying notes form part of these financial statements.

**THE PHARMACY GUILD OF AUSTRALIA
WESTERN AUSTRALIAN BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

The financial report covers The Pharmacy Guild of Australia, Western Australian Branch as an individual entity. The Pharmacy Guild of Australia, Western Australian Branch is an organisation registered under the Fair Work (Registered Organisations) Act 2009 and is a not for profit entity for purposes of preparing the financial statements. The nature of the operations and the principal activities of the Branch are described in the Operating Report.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Fair Work (Registered Organisations) Act 2009.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

a. Income Tax

The Pharmacy Guild of Australia, Western Australia Branch is exempt from income tax under section 50-15 of the Income Tax Assessment Act 1997.

b. Inventories

Inventories consist of stock of unsold product, measured at the lower of cost or net realisable value. The cost of inventories includes all direct costs of acquisition. Costs are assigned on the basis of weighted average cost.

c. Property, Plant & Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

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

**THE PHARMACY GUILD OF AUSTRALIA
WESTERN AUSTRALIAN BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

c. Property, Plant & Equipment (Cont)

The depreciable amount of plant and equipment is depreciated on a straight-line basis over their useful lives to the Organisation commencing from the time the asset is 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.

The depreciation rates used for each class of depreciable assets are:

Office equipment	15%
Office furniture	10%
Motor vehicles	15%
Computer equipment	33.33%
Structural improvements	2.5%

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

The asset's carrying value 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 disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

d. Financial Instruments

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

Financial Assets

Initial Recognition and Measurement

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

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the association's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the association initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Classification and Subsequent Measurement

Financial assets at fair value through profit and loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

**THE PHARMACY GUILD OF AUSTRALIA
WESTERN AUSTRALIAN BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

d. Financial Instruments (continued)

Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

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

Trade and other payables

Liabilities are recognised for amounts to be paid for goods or services received. Trade payables are settled on terms aligned with the normal commercial terms in the Organisation's operation. They are measured at amortised cost using the effective interest rate method.

Non-derivative financial assets

Loans and receivables are fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The organisation's trade and most other receivables fall into this category of financial instruments.

Impairment

For trade receivables the Organisation applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Derecognition

Financial assets are derecognised where the contractual right to 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 profit or loss.

**THE PHARMACY GUILD OF AUSTRALIA
WESTERN AUSTRALIAN BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

e. Impairment of Assets

At each reporting date, the Organisation reviews the carrying values of its tangible and intangible 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 costs to sell and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the income statement.

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

f. Employee Benefits

Provision is made for the Organisation's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

g. Training Administration Fee

The training administration fee liability represents the amount refundable to employer members for the training administration fee originally charged to employer members.

h. 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 balance sheet.

i. Revenue and Other Income

The Organization enters into various arrangements where it receives consideration from another party. These arrangements include consideration in the form of membership subscriptions, capitation fees, levies, grants, and donations.

The timing of recognition of these amounts as either revenue or income depends on the rights and obligation in those arrangements.

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue from the sale of goods is recognised at the point the Organization transfers control of goods or services to the customer as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue from the provision of membership subscriptions is recognised on a straight-line basis over the financial year reflecting one distinct membership service in the arrangement.

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

**THE PHARMACY GUILD OF AUSTRALIA
WESTERN AUSTRALIAN BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

j. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Where applicable, receivables and payables in the balance sheet are shown inclusive of GST.

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

k. Significant Accounting Estimates and Judgements

The Committee of Management evaluate estimates and judgements incorporated into the financial statements 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 from within the Organisation;

Key Estimates

(i) *Impairment - general*

The Organisation assesses impairment at each reporting date by evaluation of conditions and events specific to the group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

(ii) *Land and Buildings*

Land and Buildings are carried at fair value, based on valuations obtained from an independent licenced valuer approximately every four years. Valuations are based on fair value which is a market-based measure.

l. Adoption of New Australian Accounting Standards and amendments

(i) AASB 2020-4 Amendments to AASs – Covid-19-Related Rent Concessions

These amendments provide relief to lessees from applying AASB 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under AASB 16 Leases, if the change were not a lease modification.

The amendments had no impact on the financial statements of the Guild.

**THE PHARMACY GUILD OF AUSTRALIA
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

I. Adoption of New Australian Accounting Standards and amendments (continued)

(ii) AASB 2018-6 Amendments to Australian Accounting Standards - Definition of a Business

The amendment to AASB 3 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs.

These amendments had no impact on the financial statements of the Guild.

(iii) AASB 2019-1 Amendments to Australian Accounting Standards – References to the Conceptual Framework.

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the accounting standard setter in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. This will affect those entities which developed their accounting policies based on the Conceptual Framework. The revised Conceptual Framework includes some new concepts, updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts.

The amendments had no impact on the financial statements of the Guild.

	2021	2020
	\$	\$
2. REVENUE		
Operating Activities		
Membership Subscriptions	1,316,744	1,291,330
Other membership services	137,351	132,473
Program income	445,192	452,692
Commission income	1,443	275
Pharmacy industry training income	331,675	289,291
Pharmacy forum	-	402,859
WA Industrial & Management Service Fee	206,463	200,426
Re-imbursments of Industrial Relation Legal Costs	71,874	26,350
Rental income	-	-
Interest received	25,300	69,536
Other income	52,126	60,657
Unit Trust Disbursements Received	15,402	-
Dividend Received	60,994	42,360
Net gain from sale of assets	8,821	-
Capitation fees received	-	-
Compulsory levies raised	-	-
Market value movement in managed investments	727,397	(221,841)
Grant income	648,788	1,896,667
	4,049,570	4,643,075
Non-operating Activities	-	-
Total revenue	4,049,570	4,643,075

**THE PHARMACY GUILD OF AUSTRALIA
WESTERN AUSTRALIAN BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
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2. REVENUE (CONTINUED)

2(a) Disaggregation of revenue from contracts with customers

A disaggregation of revenue by type of arrangement is provided on the face of the Statement of Comprehensive Income. The table below also sets out a disaggregation of revenue by type of customer:

	2021	2020
	\$	\$
<i>Type of customer</i>		
Members	1,640,791	1,578,395
Other reporting units	460,692	467,692
Government	787,555	2,032,020
Other parties	53,767	405,938
Total revenue from contracts with customers	2,942,805	4,484,045

Disaggregation of income for furthering activities

A disaggregation of income by type of arrangement is provided on the face of the Statement of Comprehensive Income. The table below also sets out a disaggregation of income by funding source:

<i>Income funding sources</i>		
Members	165,803	237,711
Other reporting units	73,316	24,301
Government	50,000	50,002
Other parties	817,646	(152,984)
Total income for furthering activities	1,106,765	159,030
Total income	4,049,570	4,643,075

3. AUDITORS REMUNERATION

Remuneration of the auditor for:

Auditing or reviewing the financial report	17,500	17,500
Other services	4,750	4,750
	22,250	22,250

4. CASH AND CASH EQUIVALENTS

Cash at bank and in hand	3,292,017	5,210,591
Short term bank deposits	-	-
	3,292,017	5,210,591

Reconciliation of cash

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

Cash and cash equivalents - general	3,067,164	5,030,884
Cash and cash equivalents – special projects fund	224,853	179,707
Bank overdrafts	-	-
	3,292,017	5,210,591

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	2021	2020
	\$	\$
5. TRADE AND OTHER RECEIVABLES		
CURRENT		
Subscriptions and other receivables	206,830	21,819
Provision for doubtful debts	-	-
	206,830	21,819
Total current trade and other receivables	206,830	21,819
NON-CURRENT		
Loan to PGWA (Organisation of Employers)	-	-
	-	-

Current trade receivables are non-interest bearing and generally are receivable with 90 days. A provision for impairment is recognised when there is objective evidence that an individual trade receivable is impaired. No impairment was provided for at 30 June 2021 (2020: Nil).

Credit Risk

The Organisation has no significant concentration of credit risk with respect to any single counterparty or group of counterparties other than those receivables specifically provided for and mentioned within Note 5. The main source of credit risk to the Organisation is considered to relate to the class of assets described as subscriptions receivable.

The following table details the Organisation's subscriptions receivable exposed to credit risk with aging analysis and impairment provided thereon. Amounts are considered as 'past due' when the debt has not been settled within the terms and conditions agreed between the Organisation and the member or counterparty to the transactions. Receivables that are past due are assessed for impairment by ascertaining their willingness to pay and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Organisation.

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

	Gross Amount	Past due and impaired	Past due but not impaired (days overdue)			
			< 30	31 - 60	61 - 90	> 90
2021	\$	\$	\$	\$	\$	\$
Subscriptions and other Receivables	206,830	-	168,652	21,652	8,160	8,366
Total	206,830	-	168,652	21,652	8,160	8,366
2020	\$	\$	\$	\$	\$	\$
Subscriptions and other Receivables	21,819	-	14,873	5,449	808	689
Total	21,819	-	14,873	5,449	808	689

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

5. TRADE AND OTHER RECEIVABLES (CONT)

Credit Risk (Cont)

The Organisation does not hold any financial assets whose terms have been renegotiated, but which would otherwise be past due or impaired.

Collateral held as security

No collateral is held as security for any of the trade or other receivable balances.

		2021	2020
		\$	\$
Financial assets classified as loans and receivables			
Trade and other receivables	Note		
- total current	17	206,830	21,819
- total non-current	17	-	-
		<hr style="width: 100%;"/>	<hr style="width: 100%;"/>
Total		<u>206,830</u>	<u>21,819</u>

Collateral pledged

No collateral has been pledged for any of the trade and other receivable balances.

6. INVENTORIES

CURRENT

Stocks of stationery, packaging and signs		-	-
		<hr style="width: 100%;"/>	<hr style="width: 100%;"/>

**THE PHARMACY GUILD OF AUSTRALIA
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

	2021	2020
	\$	\$
7. OTHER CURRENT ASSETS		
Prepayments	80,828	20,676
Accrued income	9,196	5,961
	90,024	26,637
	90,024	26,637
8. PROPERTY, PLANT & EQUIPMENT		
Land & buildings		
Opening independent valuation	2,450,000	2,450,000
Revaluation	(200,000)	-
Additions	-	-
	2,250,000	2,450,000
	2,250,000	2,450,000
Office furniture & equipment		
At cost	1,359,972	1,357,232
Accumulated depreciation	(1,027,572)	(987,769)
	332,400	369,463
	332,400	369,463
Motor vehicles		
At cost	60,733	47,548
Accumulated amortisation	(4,472)	(26,159)
	56,261	21,389
	56,261	21,389
Total plant & equipment	388,661	390,852
Total property, plant & equipment	2,638,661	2,840,852

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

8. PROPERTY, PLANT & EQUIPMENT (CONT)

The Organisation's land & buildings was revalued in June 2021 by independent licenced valuers. Valuations were made on the basis of open market value. The revaluation decrement was debited to an asset revaluation reserve in the equity section of the balance sheet. No deferred tax was provided in relation to the revaluation reserve as The Pharmacy Guild of Australia, Western Australia Branch is exempt from income tax under section 50-15 of the Income Tax Assessment Act 1997.

Movement in carrying amounts

Movements in carrying amounts for each class of property, plant & equipment between the beginning and the end of the current financial year.

	Land & buildings	Office furniture & equipment	Motor vehicles	Total
	\$	\$	\$	\$
Balance at the beginning of year	2,450,000	369,463	21,389	2,840,852
Additions	-	2,740	60,733	63,473
Disposals	-	-	(17,543)	(17,543)
Depreciation & amortisation expense	-	(39,803)	(8,318)	(48,121)
Revaluation	(200,000)	-	-	(200,000)
Carrying amount at the end of year	<u>2,250,000</u>	<u>332,400</u>	<u>56,261</u>	<u>2,638,661</u>

2021
\$

2020
\$

**9. TRADE & OTHER PAYABLES
CURRENT**

Trade payables	46,707	150,384
Legal Costs Payable:		
- Litigation	-	-
- Other legal costs	-	600
Training administration fees	3,360	3,360
Income received in advance	741,150	1,249,639
Accrued expenses	111,950	127,114
Traineeship fees received in advance	150,034	119,149
Accrued GST & PAYG withholding	86,565	147,788
	<u>1,139,766</u>	<u>1,798,034</u>

NON-CURRENT

- -

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

10. PROVISIONS

	Annual leave \$	Long service leave \$	Other Provisions \$	Total \$
Opening balance at 1 July 2020	97,408	177,254	39,663	314,325
Movement in provisions	838	9,552	14,382	24,772
	<u>98,246</u>	<u>186,806</u>	<u>54,045</u>	<u>339,097</u>
Balance at 30 June 2021	<u><u>98,246</u></u>	<u><u>186,806</u></u>	<u><u>54,045</u></u>	<u><u>339,097</u></u>

Analysis of total employee provision

Office Holders:

Annual Leave	9,821	9,718
Long Service Leave	2,442	918
Separation and Redundancies	-	-
Other	-	-

Subtotal – Office Holders	<u>12,263</u>	<u>10,636</u>
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Employees other than Office Holders:

Annual Leave	88,425	87,689
Long Service Leave	184,364	176,336
Separation and Redundancies	-	-
Other	54,045	39,663

Subtotal – Other employees	<u>326,834</u>	<u>303,688</u>
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Total Employee Provisions	<u><u>339,097</u></u>	<u><u>314,324</u></u>
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Current	330,972	303,288
Non-current	8,125	11,036

Total Provisions	<u><u>339,097</u></u>	<u><u>314,324</u></u>
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

10. PROVISIONS (CONT)

Provision for long term employee benefits

A provision has been recognised for employee entitlements relating to long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits has been included in Note 1 to this report.

11. RESERVES

General Reserves

The capital equipment replacement reserve and the capital building reserve record funds set aside for future expansion of the association.

Asset Revaluation Reserve

The asset revaluation reserve records revaluations of land and buildings.

12. CAPITAL & LEASING COMMITMENTS

	2021	2020
	\$	\$
Payable – minimum lease payments		
- not later than 12 months	-	-
- between 12 months & 5 years	-	-
- greater than 5 years	-	-
	-	-
	-	-

	2021	2020
	\$	\$

13. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Estimates of the potential effect of contingent liabilities and assets that may become payable or receivable:

	-	-
	-	-

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

14. EVENTS AFTER THE BALANCE SHEET DATE

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Pharmacy Guild of Australia Western Australian Branch, the results of those operations, or the state of affairs of the Pharmacy Guild of Australia Western Australian Branch in subsequent financial periods.

15. RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions.

During the year the organisation received funding from as well as paid a percentage of membership subscriptions to The Pharmacy Guild of Australia, National Secretariat. Details of these transactions are noted below.

<u>Funds Paid to Related Parties 2021</u>	2021 \$	2020 \$
Total Paid to National Secretariat		
2020/21 Subscriptions to National Secretariat.	568,573	526,983
Re-imburement - Telephone	8,845	8,547
Software & Software Development Re-imburement	21,686	21,374
Training Qualification Development Cost	-	-
Student Capitations & CPD Accreditation Costs	6,039	4,485
Travel expense re-imburement	-	-
Sundry Expenditure	1,132	2,836
	606,275	564,225
 Total Paid to Pharmacy Guild of Australia QLD		
CPD Accreditation costs	-	450
Sundry Travel Re-imburements	-	-
	-	450
 Total Paid to Pharmacy Guild of Australia NT		
Training Assesments	2,172	-
	2,172	-
 Total Paid to Pharmacy Guild of Western Australia		
Grant funding	2,000	1,900
	2,000	1,900

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**NOTES TO THE FINANCIAL STATEMENTS
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15. RELATED PARTY TRANSACTIONS (CONT)

Funds Received from Related Parties 2021

	2021	2020
	\$	\$
Total Received from National Secretariat		
Programme Funding	505,111	506,211
Re-imburement of travel associated costs to attend meetings	333	2,223
Re-imburements of Industrial Relation Legal Costs	78,731	26,350
Sundry Re-imburement	550	5,225
Sponsorship	-	-
Training Monies collected on behalf of PGAWA Training	122,940	88,770
	707,665	628,779
 Total Received from Pharmacy Guild of Australia NSW		
Commissions	1,587	395
	1,587	395
 Total Received from Pharmacy Guild of Australia QLD		
Training income	10,695	-
Sundry Re-imburements	-	1,565
	10,695	1,565
 Total Received from Pharmacy Guild of Australia VIC		
Sundry Re-imburements	-	93
	-	93
 Total Received from Pharmacy Guild of Australia SA		
Sundry Re-imburements	-	93
	-	93
 Total Received from Pharmacy Guild of Australia TAS		
Sundry Re-imburements	-	93
	-	93
 Total Received from Pharmacy Guild of Australia ACT		
Sundry Re-imburements	-	93
	-	93
 Total Received from Pharmacy Guild of Australia NT		
Sundry Re-imburements	-	93
	-	93
 Balances Receivable/Payable at Year End		
Receivable from National Secretariat	30,438	4,020
Payable to National Secretariat	-	33,244
Receivable from PGA NSW	292	60
Receivable from PGA QLD	690	-
	-	-

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

16. CASHFLOW INFORMATION

	2021	2020
	\$	\$
Reconciliation of cash flow from operations with profit from ordinary activities:		
Net Profit/(loss)	685,119	(179,836)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit		
- Depreciation and amortisation	48,121	59,544
- Net gain on Disposal of Property Plant and Equipment	(8,821)	-
- Revaluation of investments	(727,397)	221,841
Changes in assets and liabilities		
- (Increase)/decrease in trade and term debtors	(185,011)	215,757
- (Increase)/decrease in prepayments	(60,152)	106,705
- (Increase)/decrease in accrued income	(3,235)	32,143
- (Increase)/decrease in inventories	-	-
- Increase/(decrease) in trade and other payables	(597,046)	441,442
- Increase/(decrease) in employee provisions	10,389	42,481
- Increase/(decrease) in other provisions	14,381	-
- Increase/(decrease) in accrued GST	(61,218)	56,746
	(884,870)	996,823
	(884,870)	996,823

17. FINANCIAL RISK MANAGEMENT

Financial risk management policies

The Organisation's financial instruments consist mainly of deposits with banks, short term instruments, accounts receivable and payable.

The totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

17. FINANCIAL RISK MANAGEMENT (CONT)

	Note	2021 \$	2020 \$
Financial Assets			
Cash and cash equivalents	4	3,292,017	5,210,591
Trade and other receivables	5	206,830	21,819
Managed Investments		3,716,017	1,992,026
Other current assets	7	90,024	26,637
		7,304,888	7,251,073
Financial Liabilities			
Trade & sundry payables	9	46,707	150,984
		46,707	150,984

Financial Risk Management Policies

The organisation's management is responsible for, among other issues, monitoring and managing financial risk exposures. The organisation's management monitors the transactions and reviews the effectiveness of controls relating to credit risk, financial risk and interest rate risk. The overall risk management strategy seeks to ensure that the organisation meets its financial targets, whilst minimising potential cash flow shortfalls.

Specific Financial Risk Exposure and Management

The main risks the organisation is exposed to through its financial instruments are interest rate risk, liquidity risk, credit risk and equity price risk.

a. Interest rate risk

The Organisation is not exposed to any significant interest rate risk since cash balances are maintained at variable rates and borrowings of the organisation are not considered significant.

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17. FINANCIAL RISK MANAGEMENT (CONT)

Specific Financial Risk Exposure and Management (Cont)

b. Liquidity risk

Liquidity risk arises from the possibility that the Organisation might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Organisation manages this risk through the following mechanisms:

- preparing forward-looking cash flow analysis in relation to its operational, investing and financing activities;
- only investing surplus cash with major financial institutions; and
- proactively monitoring the recovery of unpaid subscriptions.

The table below reflect an undiscounted contractual maturity analysis for financial liabilities. Cash flows realised from financial assets reflect management's expectations as to the timing of realisation. Actual timing may therefore differ from that disclosed.

Financial liability and financial assets maturity analysis

	Within 1 year		1 to 5 years		Over 5 years		Total	
	2021 \$	2020 \$	2021 \$	2020 \$	2021 \$	2020 \$	2021 \$	2020 \$
Financial liabilities								
Trade & sundry payables	46,707	150,984	-	-	-	-	46,707	150,984
Total financial liabilities	<u>46,707</u>	<u>150,984</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>46,707</u>	<u>150,984</u>
Financial assets								
Cash & cash equivalents	3,292,017	5,210,591	-	-	-	-	3,292,017	5,210,591
Managed Investments	3,716,017	1,992,026	-	-	-	-	3,716,017	1,992,026
Trade & other receivables	206,830	21,819	-	-	-	-	206,830	21,819
Other current assets	90,024	26,637	-	-	-	-	90,024	26,637
Total financial assets	<u>7,304,888</u>	<u>7,251,073</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,304,888</u>	<u>7,251,073</u>

Financial assets pledged as collateral

No financial assets have been pledged as security for any financial liability. Refer to Note 5 for further details.

c. Foreign exchange risk

The Organisation is not exposed to fluctuations in foreign currencies

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17. FINANCIAL RISK MANAGEMENT (CONT)

Specific Financial Risk Exposure and Management (Cont)

d. Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Organisation.

Credit risk is managed through maintaining procedures ensuring, to the extent possible, that members and counterparties to transactions are of sound credit worthiness. All subscriptions receivable are past due. Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the committee has otherwise cleared as being financially sound.

Credit risk exposure

The maximum exposure to credit risk by class of recognised financial assets at balance date is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the balance sheet.

There is no collateral held by the Organisation securing trade or other receivables.

The Organisation has no significant concentration of credit risk with any single counterparty or group of counterparties.

e. Price risk

The Organisation is not exposed to any material commodity price risk.

Net Fair Values

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the balance sheet. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Areas of judgement and the assumptions used have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded.

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**NOTES TO THE FINANCIAL STATEMENTS
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17. FINANCIAL RISK MANAGEMENT (CONT)

Net Fair Values (Cont)

		2021		2020	
	Footnote	Net Carrying Value \$	Net Fair Value \$	Net Carrying Value \$	Net Fair Value \$
Financial assets					
Cash & cash equivalents	(i)	3,292,017	3,292,017	5,210,591	5,210,591
Managed Investments	(i)	3,716,017	3,716,017	1,992,026	1,992,026
Trade & other receivables	(i)	206,830	206,830	21,819	21,819
Other current assets	(i)	90,024	90,024	26,637	26,637
Total financial assets		<u>7,304,888</u>	<u>7,304,888</u>	<u>7,251,073</u>	<u>7,251,073</u>
Financial liabilities					
Trade & sundry payables	(i)	46,707	46,707	150,984	150,984
Total financial liabilities		<u>46,707</u>	<u>46,707</u>	<u>150,984</u>	<u>150,984</u>

The fair values disclosed in the above table have been determined based on the following methodologies:

- (i) Cash and cash equivalents, trade and other receivables, other current assets and trade and other payables are short term instruments in nature whose carrying value is equivalent to fair value.

18. FAIR VALUE MEASUREMENTS

Fair Value Estimation

The Organisation measures and recognises Land & Buildings and Managed Investments at fair value on a recurring basis after initial recognition. The fair value of other financial assets and financial liabilities approximate their carrying values

Fair Value Hierarchy

AASB 13 required the disclosure of fair value information by way of a fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1: Measurement based on quoted prices (unadjusted) in active markets for identical assets of liabilities that the entity can access at the measurement date

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**NOTES TO THE FINANCIAL STATEMENTS
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18 FAIR VALUE MEASUREMENTS (CONT)

Level 2: Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Measurements based on unobservable inputs for the asset or liability.

The value of the Organisations Land & Buildings is based on level 2 hierarchy using valuations performed periodically by independent licenced valuers. The Valuer adopted a market approach using recent observable market data for similar properties and income approach using discounted cashflow methodology. Significant inputs used were price per square metre and market capitalisation rates.

The value of the Managed Investments is based on level 1 and 2 hierarchy as follows:-

	2021	2020
	\$	\$
Level 1 hierarchy using quoted prices in active markets	2,916,017	1,992,026
Level 2 hierarchy for unquoted equities using regular independent valuations of underlying assets based on observable market data	800,000	-
Total	<u>3,716,017</u>	<u>1,992,026</u>

19. ORGANISATION DETAILS

The registered office and principle place of business of the Organisation is:

The Pharmacy Guild of Australia WA Branch
1322 Hay Street
West Perth WA 6005

20. SEGMENT REPORTING

The Organisation operates predominately in one business and geographical segment, being the community pharmacy sector, providing industrial representative services to members of the Organisation in Western Australia.

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**NOTES TO THE FINANCIAL STATEMENTS
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21. EMPLOYEE BENEFITS

Breakdown of benefits to officers and employees as follows:

	<u>2021</u>	<u>2020</u>
	\$	\$
Officers		
Relievers Fees	47,592	59,310
Wages (inc annual leave taken)	121,154	107,113
Superannuation	12,386	10,051
Annual leave accrued	9,821	9,718
LSL	2,442	918
Separation/Redundancies	-	-
Employees (Other than officers)		
Wages (inc annual leave taken)	1,283,109	1,246,541
Superannuation	118,372	120,478
Annual leave accrued	(8,983)	11,974
LSL	7,110	18,583
Separation/Redundancies	-	-
Motor Vehicle FBT	-	-
Total	<u>1,593,003</u>	<u>1,584,686</u>

22. KEY MANAGEMENT PERSONNEL REMUNERATION

Key Management Personnel comprise the Branch Executive and Branch Committee (see page 2 and 3) and Mr M Tweedie the Branch Director.

	<u>2021</u>	<u>2020</u>
	\$	\$
Short term employee benefits		
Salary (inc annual leave taken)	358,960	333,555
Annual Leave accrued	25,859	(871)
Performance bonus	-	-
Relievers fees	47,592	59,310
Total short-term employee benefits	<u>432,411</u>	<u>391,994</u>
Post employment benefits		
Superannuation	34,977	31,563
Total post-employment benefits	<u>34,977</u>	<u>31,563</u>
Other long-term benefits	15,246	6,790
Termination benefits	-	-
Total	<u>482,634</u>	<u>430,347</u>

**THE PHARMACY GUILD OF AUSTRALIA
WESTERN AUSTRALIAN BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

23. GRANTS AND DONATIONS OVER \$1000

GRANTS OVER \$1000

Name of Recipient of Grant	Address	Amount	Purpose of Grant
555 Pharmacies	Various pharmacies	\$1,059.82 each total paid \$588,200.10.	COVID-19: Continuance of Critical Community Pharmacy Services
Pharmacy Guild of Western Australia	1322 Hay Street, West Perth	\$2,000	To allow PGAWA members to be presented in the WA state industrial relations system by PGWA

DONATIONS OVER \$1000

Name of Recipient	Address of recipient of Donation	Amount	Purpose of Donation
The Nationals	The National Party of Aust (WA) Inc P O Box 1418 West Perth WA 6872	\$3,636.36	Corp silver Partner State Conference Albany 2020 1 attendee National Party of Australia (WA), The
WA Labor	Labor Business Roundtable, PO Box 8613, Perth Business Centre, WA 6849	\$2,624.59	Frasers WA Lab Roundtable Business Dinner 20 non PGAWA
Liberals	The Liberals, P O Box 49, West Perth, WA 6872	\$7,500.00	2020 Business Observers Prog 6/11/20 Liberal Party of Australia (WA Div) Inc
WA Labor	Labor Business Roundtable, PO Box 8613, Perth Business Centre, WA 6849	\$4,000.00	Annual Membership Labor Leaders Forum Gold Package LABOR BUSINESS ROUNDTABLE
WA Labor	WA Labor, PO Box 8117, Perth Business Centre, WA 6849	\$4,500.00	WA Labor Business engagment prog 29/10/20 MT Wa Labor
Liberals	Liberal Party, 2/12 Parliament Place, West Perth	\$1,000.00	Liberal WA Dinner with Hon Christian Porter MP Attorney Gen Aust 24/09/20 MT Bankwest
WA Labor South Metro 3	WA Labor, PO Box 8117, Perth Business Centre, WA 6849	\$3,000.00	WA Labor South Metro 3 Boardroom Dinner with Premier Han. Mark cGowan MLA, the Hon. Rita Saffioti MLA and Klara Andric, Candidate for the South Metro Campaign, 15/2/21
Liberals	Liberal Party Of Australia (WA Division) Hillarys PO Box 163, Hillarys, WA 6923	\$3,000.00	Dinner with Zak Kirkup MP, Leader of Opposition & Peter Katsambanis MLA, Shadow Min of IR

**THE PHARMACY GUILD OF AUSTRALIA
WESTERN AUSTRALIAN BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

24. GRANTS & DONATIONS

Grants:	2021	2020
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	590,200	1,662,809
Donations:		
Total paid that were \$1,000 or less	2,663	1,586
Total paid that exceeded \$1,000	30,761	30,273
Total grants or donations	<u>623,624</u>	<u>1,694,668</u>

25. FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009 – SECTION 272 (5) NOTICE

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

Information to be provided to members or Commissioner:

- (1) A member of a reporting unit, or the General Manager, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- (2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- (3) A reporting unit must comply with an application made under subsection (1).

26 OTHER MATTERS

None of the activities set out in items 10, 11 and 12 of the Reporting Guidelines occurred during the year ended 30 June 2021.

In addition, there are no liabilities in respect of the current or prior periods to employers as consideration for the employers making payroll deductions of membership subscriptions.

27 FINANCIAL SUPPORT PROVIDED TO THE PGWA (Organisation of Employers)

The Pharmacy Guild of Australia WA branch has resolved to provide financial support to the Pharmacy Guild of WA (Organisation of Employers) until 31 August 2022 to enable PGWA to continue operating as a going concern.

**THE PHARMACY GUILD OF AUSTRALIA
WESTERN AUSTRALIAN BRANCH**

STATEMENT BY THE MEMBERS OF THE COMMITTEE

In the opinion of the committee the financial report as set out on pages 4 to 31;

1. Presents a true and fair view of the financial position of The Pharmacy Guild of Australia Western Australian Branch as at 30 June 2021 and its performance for the year ended on that date in accordance with Australian Accounting Standards, mandatory professional reporting requirements and other authoritative pronouncements of the Australian Accounting Standards Board.
2. At the date of this statement, there are reasonable grounds to believe that The Pharmacy Guild of Australia Western Australian Branch will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Committee and is signed for and on behalf of the Committee by:



ANDREW NGEOW
President



NATALIE WILLIS
Senior Vice President

Dated this 17th day of August 2021

**AUDITORS REPORT
TO THE MEMBERS OF THE PHARMACY GUILD OF AUSTRALIA,
WESTERN AUSTRALIA BRANCH****Report on the Audit of the Financial Report****Opinion**

We have audited the financial report of The Pharmacy Guild of Australia, Western Australia Branch (the "Organisation", "Reporting Unit"), which comprises the statement of financial position as at 30 June 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2021, notes to the financial statements, including a summary of significant accounting policies, the Committee of Management Statement (refer page 1), the Subsection 255 (2A) Report (refer page 38), the Statement by the Members of the Committee (refer page 32) and the officers declaration statement (refer page 39).

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of The Pharmacy Guild of Australia, Western Australia Branch as at 30 June 2021, and its financial performance and its cash flows for the year ended on that date in accordance with:

- a) the Australian Accounting Standards; and
- b) any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of *the Fair Work (Registered Organisations) Act 2009* (the RO Act).

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

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. We are independent of the Reporting Unit in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

The Committee of Management is responsible for the other information. The other information obtained at the date of this auditor's report is in the Operating Report accompanying the financial report. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

AUDITORS REPORT TO THE MEMBERS OF THE PHARMACY GUILD OF AUSTRALIA, WESTERN AUSTRALIA BRANCH (CONTINUED)

Responsibilities of Committee of Management for the Financial Report

The Committee of Management of the Reporting Unit is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the Committee of Management determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee of Management is responsible for assessing the Reporting Unit's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Committee of Management either intend to liquidate the Reporting Unit or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the reporting unit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee of management.
- Conclude on the appropriateness of the committee of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the reporting unit's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the reporting unit to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

**AUDITORS REPORT
TO THE MEMBERS OF THE PHARMACY GUILD OF AUSTRALIA,
WESTERN AUSTRALIA BRANCH (CONTINUED)**

Auditor's Responsibilities for the Audit of the Financial Report (continued)

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the reporting unit to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the reporting unit audit. I remain solely responsible for my audit opinion.

We communicate with the committee of management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during my audit.

I declare that I am an auditor registered under the RO Act.



MOORE AUSTRALIA AUDIT(WA)
CHARTERED ACCOUNTANTS PERTH



NEIL PACE
PARTNER
REGISTERED AUDITOR #AA2017/14
AND APPROVED AUDITOR FCA AND HOLDER
OF A CURRENT PUBLIC PRACTICE CERTIFICATE

Signed at Perth this 18th day of August 2021.

**THE PHARMACY GUILD OF AUSTRALIA
WESTERN AUSTRALIAN BRANCH**

**DETAILED INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2021
GENERAL FUND**

	2021	2020
	\$	\$
REVENUE		
Commission	1,443	275
Members Services	137,351	132,473
Membership Subscriptions	1,316,744	1,291,330
Pharmacy Industry Training	331,675	289,291
Gain on Sale of Asset	8,821	-
Program Income	445,192	452,692
Grant Income	648,788	1,896,667
Sundry Income	52,127	103,018
	2,942,141	4,165,746
EXPENDITURE		
Auditing Fees	22,250	22,500
Bank Fees	6,343	6,833
Branch Committee Expenses	55,923	76,092
Depreciation - Office Equipment	27,004	37,255
- Motor Vehicles	8,318	7,132
Dispatch & Postage	7,205	13,533
EDP Maintenance & Support	58,123	52,469
Insurance	29,562	29,384
Members Services	103,276	81,960
National Council Dues	516,916	526,983
Payroll Tax	83,928	82,427
Donations	-	-
Power and Light	7,146	6,273
Printing and Stationery	16,117	24,187
Professional Fees	1,095	29,795
Employee costs (not including super)	1,404,263	1,454,157
Grant related expenditure including disbursements	584,583	1,775,456
Sundry Expenses	54,199	78,309
Superannuation	130,748	130,529
Telephone and Facsimile	17,004	20,001
Training Division Expenses	16,229	6,571
	3,150,232	4,461,846
TOTAL EXPENDITURE	3,150,232	4,461,846
Profit/(Loss) from General Fund for the year	(208,091)	(296,100)

**THE PHARMACY GUILD OF AUSTRALIA
WESTERN AUSTRALIAN BRANCH**

**DETAILED INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2021
SPECIAL PROJECT FUND**

	2021	2020
	\$	\$
REVENUE		
Rent and Variable Outgoings Received	-	-
WA Industrial & Management Service Fee	206,463	200,426
Re-imbursments of Industrial Relation Legal Costs	71,874	26,350
Interest and Dividends Received	101,696	69,536
Pharmacy forum	-	402,859
Market value movement in managed investments	727,397	(221,841)
	1,107,430	477,330
EXPENDITURE		
Cleaning Services & Supplies	27,378	30,267
Depreciation	12,799	12,918
Industrial Costs	72,479	24,597
Legal Cover Expenses	13,437	3,958
Rates & Taxes	37,196	37,037
Donations	33,424	31,859
Sundry Expenses	16,935	11,190
Pharmacy forum	572	209,239
	214,220	361,065
Profit from Special Projects Fund for the year	893,210	116,264

**THE PHARMACY GUILD OF AUSTRALIA
WESTERN AUSTRALIAN BRANCH**

**REPORT REQUIRED UNDER SUBSECTION 255(2A)
FOR THE YEAR ENDED 30 JUNE 2021**

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended 30 June 2021.

Categories of expenditures	2021 \$	2020 \$
Remuneration and other employment-related costs and expenses - employees	1,593,003	1,584,686
Advertising	3,077	28,695
Other operating costs	1,653,149	3,144,402
Donations to political parties	30,761	30,273
Legal costs	84,461	34,855



ANDREW NGEOW
President

**THE PHARMACY GUILD OF AUSTRALIA
WESTERN AUSTRALIAN BRANCH**

Officer declaration statement

I, Andrew Ngeow, being the President of the Pharmacy Guild of Australia WA Branch, declare that the following activities did not occur during the reporting period ending 30 June 2021.

The reporting unit did not:

- agree to receive financial support from another reporting unit to continue as a going concern
- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- receive revenue from undertaking recovery of wages activity
- incur fees as consideration for employers making payroll deductions of membership subscriptions
- have another entity administer the financial affairs of the reporting unit
- make a payment to a former related party of the reporting unit

Signed by the officer:

Andrew Ngeow

Dated:

17 / 8 / 2021