



Fair Work
Commission

10 October 2023

David Heffernan
Branch President
The Pharmacy Guild of Australia-New South Wales Branch

Sent via email: governance@nsw.guild.org.au

CC: croan@kpmg.com.au

Dear David Heffernan

**The Pharmacy Guild of Australia-New South Wales Branch
Financial Report for the year ended 30 June 2023 – FR2023/134**

I acknowledge receipt of the financial report for the year ended 30 June 2023 for the Pharmacy Guild of Australia-New South Wales Branch (the reporting unit). The documents were lodged with the Fair Work Commission (the Commission) on 3 October 2023.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged.

The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under sections 253, 265, 266 and 268 of the *Fair Work (Registered Organisations) Act 2009* (RO Act) have been satisfied, all documents required under section 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 next year's financial report may be subject to an advanced compliance review.

If you have any queries regarding this letter, please contact me on (03) 8650 0183 or via email at ken.morgan@fwc.gov.au.

Yours sincerely

KEN MORGAN
Assistant Director, Financial Analysis
Registered Organisations Services Branch



**The Pharmacy
Guild of Australia**
NSW Branch

The Pharmacy Guild of Australia NSW Branch

S.268 fair work (Registered Organisations) Act 2009

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER

Certificate for the year ended 30th June 2023

I, David Heffernan, being the NSW Branch President of the Pharmacy Guild of Australia NSW Branch certify;

- The Documents lodged herewith are copies of the full report for the Pharmacy Guild Of Australia NSW Branch for the period ended referred to s.268 fair work (Registered Organisations) Act 2009 and
- That the full report was provided to members of the reporting unit on Tuesday 22nd August 2023 and
- That the full report will be presented at a general meeting of members of the reporting unit on Thursday 21st September 2023 in accordance with s.268 fair work (Registered Organisations) Act 2009

Signature of Designated officer 

Name of Prescribed designated officer: David Heffernan

Title of Prescribed designated officer: NSW Branch President

Dated: Thursday 21st September 2023

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; or

(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.

New South Wales Branch

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The Pharmacy
Guild of Australia
NSW Branch

ANNUAL REPORT

23



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YOUR NSW BRANCH COMMITTEE



FRONT ROW L-R: National Councillor & Vice President Finance Judy Plunkett, Branch President David Heffernan, National Councillor & Vice President Adele Tahan, Senior Vice President Catherine Bronger

BACK ROW L-R: Paul Jones, John Black, Richard Walsh, Robert King, Mario Barone, Rick Samimi, Tim Hewitt

ABSENT: Luke van der Rijt

pharmacist advice 

HEALTH
IS ALIVE
& WELL

HEALTH
IS ALIVE
& WELL

HEALTH
IS ALIVE
& WELL

Private
Consulting Room
Available

ABSENCE
FROM WORK
CERTIFICATES

Please ask us to move a
conversation to the private area if
you prefer



PRESIDENT'S REPORT

David Heffernan | NSW Branch President



The challenges posed by the federal government's introduction of 60-day dispensing have confirmed the importance of a strong Guild to advocate for our sector. These cuts will affect patients in every community that our pharmacies serve. While the period of time since the policy's announcement has been incredibly challenging for everyone in our sector, I have spoken to hundreds of Guild members over the past months who have been forced to reduce trading hours, cut back on vital services, and let staff go to make ends meet.

But, in this most difficult time, we have seen how powerful community pharmacy can be when we stand together. Thousands of patients across the country have joined in the call to protect their community pharmacy services from these cuts; pharmacists have stepped up as leaders to inform their patients about the risks of this policy; and we have put a national spotlight on the cost to patient outcomes that this policy will incur. Of course, the fight is not over, but all the progress we have made has only been possible from the efforts of a strong Guild supported by an active membership.



The coming months, as these changes come into place, will be challenging for our industry. But this fight is not over. Your Guild will continue to persistently advocate for your patients, your communities and your businesses which will be put at risk because of these changes.



Evidence-based, determined advocacy for our patients is what has made the Guild a trusted partner to state and federal governments for decades. It is what has allowed the New South Wales Branch to secure landmark scope of practice reforms that will transform our sector in the coming years. These reforms, announced last October, have already begun to come into effect.



The first stage of these reforms saw pharmacists authorised to provide a wider range of vaccinations, making vital preventative healthcare more widely available to patients, and making better use of pharmacists' existing expertise.

The second stage of these changes has allowed patients to seek treatment for uncomplicated UTIs from their local pharmacist. The trial of these reforms which began in May this year has already seen over a thousand patients treated across our state. From September, patients will also be able to get repeats of their oral contraceptive pill prescription from their local pharmacy. These changes will make a world of difference for our patients, allowing them to seek treatment for painful urinary tract infections without having to wait for a doctor's appointment or attend a busy hospital emergency department.

We are anticipating that the final stage of this reform will authorise pharmacists to treat a range of everyday healthcare issues, from acute cellulitis to nausea. This has the potential to transform the capacity of our health system. It will mean that patients are not forced to choose between waiting for a doctor's appointment or presenting to a hospital emergency department to receive everyday healthcare. It will free up GPs

to treat more complex issues, and ease pressure on our overworked hospital staff. Finally, it will afford community pharmacy the important role of a primary care provider that it deserves.



Our effective relationship with the NSW Government has secured other important commitments, too. Prior to the NSW State Election, we received a commitment from the incoming Premier and the incoming Health Minister Ryan Park, confirming that existing ownership laws – and the world-class community pharmacy system they protect – will be retained in government. Securing this commitment was a top priority for you ahead of the NSW State Election, and we are proud to have guaranteed it for the security of our members and our industry.

It is a testament to the hard work of Guild members that we have managed to maintain and grow the role of community pharmacy in the NSW health sector, while also delivering record membership density and a budget surplus.

Our Guild is in a strong position to take on the challenges of the coming year. Protecting our patients, our communities, and our pharmacies from the impacts of 60-day dispensing and advancing our sector forward will require a strong, united Guild. I am confident that we are well placed to deliver on this mission.



DIRECTOR'S REPORT

Daniel Kicuroski | NSW Branch Director



I am delighted to present the Branch Director Report for the 2022/23 financial year, highlighting the remarkable achievements and challenges that the NSW Branch of the Pharmacy Guild of Australia has experienced. Despite facing a complex landscape, we have navigated through the year with steadfast commitment to serving our members and advancing the interests of community pharmacies and their patients across the state.

Positive Outcomes Amidst Challenges of 60 Day Dispensing

Throughout this year, Guild members have demonstrated unparalleled resilience and determination in the face of challenges posed by the implementation of 60 Day Dispensing. I have been astounded and impressed by your ability to meet this challenge.



Strong Foundation Supporting Members

The foundation upon which our NSW Branch stands remains as robust as ever. The Guild's unwavering commitment to providing value to members through advocacy, support, and services has enabled us to navigate the intricate landscape of community pharmacy with confidence.

Financial Success and Expanded Services

I am pleased to report that the NSW Branch's financial position remains strong, with a surplus budget that has allowed us to further expand the services we offer to our members. Notably, we have achieved this without increasing membership fees, ensuring that our commitment to accessibility and affordability remains intact. Additionally, in the wake of the devastating floods that impacted several pharmacies in our region, we extended reduced membership fees to those affected, reflecting the Guild's support for members during challenging times.

Investments and Revenue Generation

Our prudent investment strategies have borne fruit, with investments performing well and generating revenue that directly supports the services we deliver to our members. This financial discipline enables us to uphold our commitment to enhancing the pharmacy landscape in New South Wales.

Membership Growth and Increasing Support

A significant achievement this year has been the impressive growth of our membership base. We have seen a substantial increase in both the number of members and the percentage of pharmacies which are members of the Guild. The Guild's continued support to members, particularly during the tumultuous period of the pandemic, has garnered recognition and solidified our position as a pillar of strength for community pharmacies.

Post-COVID Rejuvenation and Member Engagement

As we emerge from the challenges posed by the COVID-19 pandemic, we are proud to have offered each of our members a visit from our dedicated Branch staff during the year. This initiative allowed us to understand the evolving needs of our members and to reinforce our commitment to their success.



Revitalised Member Events

Our member events have made an impactful return, with the Pharmacy Connect event in Sydney being a highlight. The enthusiasm and record attendance at these events showcase the eagerness of our members to engage, learn, and network. From Sydney to Newcastle, Wagga Wagga to Ballina, the participation of over 1,600 attendees underscores the vibrancy of our community.



Member Support and Valued Advice

Our dedication to providing members with expert advice and support has been evident in the high utilisation and appreciation of our services. Responding to over 5,500 inquiries on topics ranging from workplace relations to clinical and cold chain matters, we have offered members support in challenging areas.

Advocacy and Achievements in Scope of Practice

Our persistent advocacy efforts have yielded remarkable results. The commitment of both the Labor and Coalition to rolling out scope of practice reform and retaining NSW pharmacy ownership laws demonstrates the bipartisan recognition of the vital role played by Guild members in enhancing patient care. The expansion of services such as UTI treatments, vaccinations, and soon, repeat prescriptions of the contraceptive pill, showcases community pharmacy's evolution and increasing importance in primary health care.

Anticipating Future Opportunities

As we move forward into the next financial year, we do so with optimism and determination. The challenges we have overcome this year have only strengthened our resolve to elevate community pharmacy further. With the continued support of Guild members, we are well-equipped to seize the opportunities that lie ahead and make meaningful contributions to the healthcare landscape.

In conclusion, I extend my heartfelt gratitude to you for your support and commitment to your patients. It is your dedication that drives the achievements we celebrate today and propels us toward a brighter future. Together, we will continue to shape the future of community pharmacy in New South Wales.



MEMBER SUPPORT

Service to our members is of the utmost importance to the Guild. We pride ourselves on providing members with expert advice and quality assistance in a timely fashion, as well as keeping members informed and engaged in all areas of importance within our industry. The performance of the NSW Branch was monitored throughout the 2022/23 financial year with a series of KPIs, the results of which are listed below.

MEMBER CONTACTS

1,423

face-to-face visits

WR ADVICE

1,634

inquiries finalised
within 2 business days

CLINICAL ADVICE

1,239

inquiries finalised
within 1 business day

SOCIAL MEDIA ENGAGEMENT

184,482

reactions, likes and impressions

COLD CHAIN

2,853

inquiries finalised
within 2 business days

MEMBER EVENTS

18

online: 4 | face-to-face: 14
total attendees: 2,306

SCOPE OF PRACTICE

Last year, because of Guild advocacy, the state government committed to transformative scope of practice reform to give patients in New South Wales easier access to everyday healthcare. These reforms enjoy widespread support among the community and are expected to save the state \$1.3 billion per year in reduced healthcare costs. The reform has already begun, progressing in three stages:

1. Pharmacists are now authorised to administer a much wider range of vaccines, including Hepatitis B and C and the Japanese Encephalitis Vaccine.
2. Patients across the state can now seek treatment for uncomplicated Urinary Tract Infections (UTIs). More than a thousand pharmacies are now participating in the trial of this service after a successful feasibility study of 94 pharmacies statewide. Patients now have an option to seek treatment for painful UTIs without having to wait for a doctor's appointment, with more than a thousand treatments offered since the commencement of the trial in May.
3. It is anticipated that the final stage of the trial will see pharmacists authorised to treat a wide range of everyday health conditions such as nausea or acute cellulitis.

Your Guild will continue to update you as these changes progress in order to guarantee the best possible outcomes for your patients and your pharmacy.



HONOUR BOARD

Branch President

1928 - 1932	L Ingamells
1932 - 1937	W Davies
1937 - 1944	AC Fraser
1944 - 1946	AG Barber
1946 - 1948	KE Thomas
1948 - 1950	D Ramsay
1950 - 1962	LW Smith
1962 - 1964	WF Pinerua
1964 - 1967	KW Jordan
1967 - 1971	RL Frew
1971 - 1974	J Fairfax
1974 - 1976	PI Harding
1976 - 1980	JP Matthews
1980 - 1984	JV Sidgreaves
1984 - 1992	PR Webeck
1992 - 1994	JW Bronger
1994 - 2013	SB Banks
2013 - 2016	PG Sinclair
2017 - 2017	RP Samimi
2017 -	DM Heffernan

Honorary Life Members

1978	JP Matthews OAM
1980	J Fairfax
1992	MS Bickle AO
2001	PJ Dibben
2003	JW Bronger OAM
2005	WJ Wilkinson AO
	SB Banks
2006	GRP Hodgson
2008	JA Jackson
	JHM Dornan
2014	PS McBeath
2019	PG Sinclair

50 Year Life Membership Award

2008	B Anderson
	E Radford
	JH Burgess
	US Cincotta
	V Margetis
	JJ Murphy
2010	BM Scott
2012	PT Comino
	JK Yeates
2018	C Barone
2022	J Joseph
	Allan Japp
	J Japp
	A Phillips
	A McPhee
	P Wilson
	A McHugh
	J Whittaker
	G Skinner
	R Keirle
	W Del-Grande
	W Warner
	J Loveridge
	R Raymond
	W Raymond

Distinguished Service Medallion

1991	WJ Wilkinson AM
2000	JHM Dornan
2013	L Bronger
2019	D Leahy
	M Douglass

Distinguished Service Certificate

1989	PF Dennis
	EM Saxby
	FW Payne
	CL Diamond
1992	DM Leahy
	G Katsoolis
	CLC Powell
2019	P Feros
2021	P Needs
	V Nou
	G McInerny
2022	P Crothers

Executive Committee

D Heffernan	Branch President
J Plunkett	National Councillor & Vice President Finance
A Tahan	National Councillor & Vice President
C Bronger	Senior Vice President

Branch Committee

2021 -	David Heffernan
	Judy Plunkett
	Adele Tahan
	Catherine Bronger
	Mario Barone
	John Black
	Tim Hewitt
	Paul Jones
	Robert King
	Luke van der Rijt
	Rick Samimi
	Richard Walsh

BRANCH COMMITTEE MEETINGS

Branch Committee Meetings: July 2022 - June 2023

	Number eligible to attend	Number attended	Apology provided	Approved leave of absence
David Heffernan Branch President, Chair	8	8		
Mario Barone	8	8		
John Black	8	8		
Catherine Bronger	8	7	1 (24 Feb 2023)	
Tim Hewitt	8	6	2 (7 Feb 2022, 15 Jun 2023)	
Paul Jones	8	8		
Robert King	8	7	1 (27 Oct 2022)	
Judy Plunkett	8	8		
Luke van der Rijt	8	8		
Rick Samimi	8	8		
Adele Tahan	8	8		
Richard Walsh OAM	8	7	1 (24 Feb 2023)	



FINANCIAL REPORTS



The Pharmacy
Guild of Australia
NSW Branch

ABN 87 740 877 429

FULL REPORT CONSISTING OF:

- OPERATING REPORT
- EXPENDITURE REPORT UNDER SUBSECTION 255(2a)
- GENERAL PURPOSE FINANCIAL REPORT
- AUDITOR'S REPORT

30 JUNE 2023

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The Pharmacy Guild of Australia (NSW Branch)

Operating report

For the year ended 30 June 2023

The committee presents its report on The Pharmacy Guild of Australia (NSW Branch) for the financial year ended 30 June 2023.

(a) Review of principal activities:

- (i) The Pharmacy Guild of Australia (NSW Branch) is an employers' organisation servicing the needs of proprietors of independent community pharmacies and representing their interests in industrial matters.
- (ii) The Pharmacy Guild of Australia (NSW Branch) has continued to assist the National Council and the National Executive of The Pharmacy Guild of Australia in carrying out the overall policy and objectives of the Guild.
- (iii) Included in the Annual Report are the various reports compiled by The Pharmacy Guild of Australia (NSW Branch) State President, Branch Director and Officers outlining the activities for the year. There were no significant changes in the nature of these activities during the year under review.
- (iv) The Guild's investment fund 'Pearl Fund' performed well for the year ended 30 June 2023 as a result of economic recovery post Covid-19, driven by a multitude of reasons such as rising interest rates and inflationary concerns.
- (v) During the year, the Guild acquired a 24.5% interest in the Australasian College of Pharmacy (ACP).

(b) Right of members to resign:

Under Section 174 of the Fair Work (Registered Organisations) Act 2009, a member may resign from membership by written notice addressed and delivered to the Branch Director in accordance with Rule 36 of the Guild's Constitution.

(c) Officers or members who are superannuation fund trustee(s)

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.

(d) Number of members:

As at 30 June 2023 the number of members of The Pharmacy Guild of Australia (NSW Branch) was 1,327 (2022: 1,301), including Honorary Life & 50 Year Life Members.

(e) Number of employees:

As at 30 June 2023 the number of employees of The Pharmacy Guild of Australia (NSW Branch) was 36 (2022: 33).

The Pharmacy Guild of Australia (NSW Branch)

Operating report

For the year ended 30 June 2023

(f) Names of Branch Committee members during the financial year:

In accordance with Regulation 159(c) of the Fair Work (Registered Organisations) Regulations 2009 the following persons were members of the Branch Committee during the financial year:

1 July 2022 - 30 June 2023

Mario Barone

Paul Jones

Adele Tahan

Judy Plunkett

Rick Samimi

David Heffernan

Robert King

Catherine Bronger

Richard Walsh

John Black

Luke van der Rijt

Tim Hewitt



David Heffernan

Branch President

Dated at Sydney this 29th day of August 2023

The Pharmacy Guild of Australia (NSW Branch)

Expenditure report under subsection 255(2A)

For the year ended 30 June 2023

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the The Pharmacy Guild of Australia (NSW Branch) for the year ended 30 June 2023.

In AUD

	2023	2022
Remuneration, and other employment-related costs and expenses, in respect of employees:	3,883,186	3,225,161
Advertising expenses	18,992	21,741
Operating costs	409,373	433,017
Donation to political parties	31,268	69,482
Legal costs	34,432	58,222
Other expenses	3,096,200	3,090,338
Total expenses	7,473,451	6,897,961



David Heffernan

Branch President

Dated at Sydney this 29th day of August 2023

The Pharmacy Guild of Australia (NSW Branch)

Statement of profit or loss and other comprehensive income

For the year ended 30 June 2023

In AUD

	Notes	2023	2022
Revenue from contracts with customers			
Membership subscriptions revenue		3,347,158	3,441,194
Learning & development revenue		1,117,606	791,416
Commissions revenue		615,497	399,987
Certification revenue		372,850	219,197
Total Revenue from Contract with Customers	4C	5,453,111	4,851,794
Income from Furthering Objectives			
Government program revenue	4A	307,589	488,445
National secretariat funding revenue	4C	1,640,680	1,207,730
Total Revenue from Furthering Objectives		1,948,269	1,696,175
Other Income			
Rental revenue		62,415	59,505
Other revenue		187,268	293,867
Fair Value gain on Financial asset at fair value through profit or loss		116,317	-
Total other income	4C	366,000	353,372
Total revenue		7,767,380	6,901,341
Expenses			
Depreciation and amortisation	5A	363,349	360,284
Legal fees	5B	34,432	58,222
Employee expenses	5C	3,883,186	3,225,161
Grants or donations	5D	31,268	69,482
Program related costs	5E	2,356	109,915
Audit fees		61,467	60,333
Bank fees and charges		1,435	2,125
Capitation and affiliation fees	5H	1,601,222	1,316,813
Administration expenses	5F	1,177,398	967,377
Other expenses	5G	317,338	244,690
Fair Value loss on Financial asset at fair value through profit or loss		-	483,559
		7,473,451	6,897,961
Interest income		236,378	51,931
Net finance income		236,378	51,931
Surplus for the year		530,307	55,311
Other Comprehensive Income			
<i>Items that will be subsequently reclassified to profit or loss</i>			
Loss on revaluation of artworks	16	(58,956)	-
Total other comprehensive income for the year		(58,956)	-
Total comprehensive profit for the year		471,351	55,311

These statements should be read in conjunction with the accompanying notes.

The Pharmacy Guild of Australia (NSW Branch)

Statement of financial position

As at 30 June 2023

In AUD

	Note	2023	2022
Current assets			
Cash and cash equivalents	7,20(a)	7,950,318	7,708,307
Trade and other receivables	8	681,510	811,132
Other current assets	9	89,002	91,594
Total current assets		8,720,830	8,611,033
Non-current assets			
Financial assets	10	3,635,300	3,462,174
Property, plant and equipment	11	5,630,608	5,965,478
Investment in associates	28	340,000	-
Investment property	12	1,333,968	1,392,573
Total non-current assets		10,939,876	10,820,225
Total assets		19,660,706	19,431,258
Current liabilities			
Trade and other payables	13	2,115,478	2,071,893
Deferred income	15	1,812,146	2,248,316
Employee provisions	14	597,037	473,084
Lease liabilities	27	16,113	13,996
Total current liabilities		4,540,774	4,807,289
Non-current liabilities			
Employee provisions	14	77,072	37,747
Lease liabilities	27	2,524	17,237
Total non-current liabilities		79,596	54,984
Total liabilities		4,620,370	4,862,273
Net assets		15,040,336	14,568,985
Equity			
Reserves	16	146,602	205,558
Retained earnings		14,893,734	14,363,427
Total equity		15,040,336	14,568,985

These statements should be read in conjunction with the accompanying notes.

The Pharmacy Guild of Australia (NSW Branch)

Statement of changes in equity

For the year ended 30 June 2023

<i>In AUD</i>	Retained earnings	Asset revaluation reserve	Total equity
Balance at 1 July 2021	14,308,116	205,558	14,513,674
Surplus for the year	55,311	-	55,311
<i>Other comprehensive income</i>			
Gain/(Loss) on revaluation of artworks	-	-	-
Total comprehensive income for the year	55,311	-	55,311
Balance at 30 June 2022	14,363,427	205,558	14,568,985
Balance at 1 July 2022	14,363,427	205,558	14,568,985
Surplus for the year	530,307	-	530,307
<i>Other comprehensive income</i>			
Gain/(Loss) on revaluation of artworks	-	(58,956)	(58,956)
Total comprehensive income for the year	530,307	(58,956)	471,351
Balance at 30 June 2023	14,893,734	146,602	15,040,336

These statements should be read in conjunction with the accompanying notes.

The Pharmacy Guild of Australia (NSW Branch)

Statement of cash flows

For the year ended 30 June 2023

In AUD

	Note	2023	2022
Cash flows from operating activities			
Receipts from customers		8,693,680	9,635,636
Payments to suppliers, employees and others		(8,340,934)	(7,959,391)
Receipts from related parties	20(c)	2,263,769	1,631,055
Payments to related parties	20(c)	(2,289,171)	(1,784,271)
Interest received		236,378	51,931
Net cash from operating activities	20(b)	<u>563,722</u>	<u>1,574,960</u>
Cash flows from investing activities			
Proceeds from the disposal of property, plant and equipment		-	-
Payments for acquisition of property, plant and equipment		(28,886)	-
Rental income from investment property		62,415	59,505
Acquisition of other investments		-	-
Payments for investments in associates		(340,000)	-
Net cash (used)/from in investing activities		<u>(306,471)</u>	<u>59,505</u>
Cash flows from financing activities			
Payment of lease liabilities		(15,240)	(16,340)
Net cash used in financing activities		<u>(15,240)</u>	<u>(16,340)</u>
Net increase in cash and cash equivalents		242,011	1,618,125
Cash and cash equivalents at beginning of financial year		7,708,307	6,090,182
Cash and cash equivalents at end of financial year	7,20(a)	<u>7,950,318</u>	<u>7,708,307</u>

These statements should be read in conjunction with the accompanying notes.

The Pharmacy Guild of Australia (NSW Branch)

Notes to the financial statements

For the year ended 30 June 2023

Note 1 Reporting entity

The financial report is for the entity The Pharmacy Guild of Australia (NSW Branch) ("Guild") as an individual entity. The Branch is registered under the Fair Work (Registered Organisations) Act 2009. In accordance with the Act the Branch is a body corporate and has perpetual succession. By virtue of this method of incorporation, the Branch is not subject to the Corporations Act.

The Pharmacy Guild of Australia (NSW Branch) is a not-for-profit entity, the nature of the operations and principal activities of the Guild are as described in the Operating Report. The principal place of business of The Pharmacy Guild of Australia (NSW Branch) is Level 2, Suite 201, 10 Norbrik Drive, Bella Vista NSW 2153.

The financial report of The Pharmacy Guild of Australia (NSW Branch) for the year ended 30 June 2023 was authorised for issue in accordance with a resolution passed by the Committee of Management on 29 August 2023.

Note 2 Basis of preparation

(a) Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASBs) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the disclosure requirements of the Fair Work (Registered Organisations) Act 2009.

The reporting guidelines made under section 255 of the Fair Work (Registered Organisations) Act 2009 require all reporting units to apply the Tier 1 reporting requirements as per Australian Accounting Standard AASB 1053 Application for Tiers of Australian Accounting Standards. As such the branch committee of management has prepared a full set of financial statements with all Tier 1 disclosure requirements.

(b) Basis of measurement

The financial report has been prepared on a historical costs basis modified by the revaluation of selected property, plant and equipment asset classes as per Note 3(f).

(c) Functional and presentational currency

The financial report is presented in Australian dollars, which is the Guild's functional currency.

(d) Comparative information

To conform with current year presentation certain prior year comparative figures have been reclassified. In the opinion of the Committee of Management, these changes in presentation are not material to the financial report.

The Pharmacy Guild of Australia (NSW Branch)

Notes to the financial statements (continued)

For the year ended 30 June 2023

Note 3 Significant accounting policies

The accounting policies set out below have been consistently applied to all periods presented in these financial statements.

(a) Taxation

(i) *Income Tax and Fringe Benefit Tax*

Under Section 50-15 of the *Income Tax Assessment Act 1997*, the income of The Pharmacy Guild of Australia (NSW Branch) is exempt from income tax. However the still has an obligation for Fringe Benefits Tax (FBT).

(ii) *Goods and Services Tax (GST)*

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax (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. Receivables and payables in the statement of financial position are shown exclusive of GST.

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

(b) Revenue

(i) *Membership subscriptions revenue*

Revenue from subscriptions is recognised in the year to which the subscription relates when recovery of the consideration is considered probable and the amount of revenue can be measured reliably. Membership subscriptions represent 'stand ready' obligations for the Guild, and accordingly revenue is recognised over the period to which the membership subscription relates.

(ii) *Government program revenue*

Government program revenue is only recognised when the Guild is able to comply and fulfill the performance obligations attached to the program and receipt of monies is considered probable. The Guild assesses the satisfaction of each of the individual performance obligations under its government programs, including whether the Guild is a 'Principle' or 'Agent' with respect to each performance obligation, to ensure revenue is recognised on a systematic basis in the period in which the Guild fulfills its performance obligations.

(iii) *Learning & development revenue*

Revenue from guild and other educational courses is recognised on a straight-line basis as the course is delivered based on the percentage of the course delivered and completed, as this best reflects the satisfaction of the Guild's performance obligations. Further, revenue is only recognised when recovery of the consideration is considered probable and the amount of revenue can be measured reliably.

(iv) *Service revenue*

Revenue from services is recognised through profit or loss overtime as the services are performed and performance obligations satisfied when recovery of the consideration is probable and the amount of revenue can be measured reliably. Revenue from services incorporates; National secretariat funding revenue, commissions revenue, rental revenue and certification revenue.

The Pharmacy Guild of Australia (NSW Branch)

Notes to the financial statements (continued)

For the year ended 30 June 2023

Note 3 Significant accounting policies (continued)

(b) Revenue (continued)

(v) Other revenue

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

From time to time, the Guild will receive upfront payment for services to be rendered. Collections received in advance of the time of revenue recognition, as noted above, are recognised as deferred income until the revenue recognition criteria is satisfied.

(vi) Rental income

Leases in which the Guild, as a lessor, do not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the relevant lease term. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as income in the period in which they are earned.

(c) Net finance income

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

(d) Cash and cash equivalents

For the purposes of the statement of cash flows, cash includes deposits at call which are readily convertible to cash on hand, and have original maturities of less than 3 months which are used in the cash management function on a day to day basis.

(e) Property, plant and equipment

Property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses. Building fit out, plant and equipment and capital works in progress are measured on a cost basis, whilst Works of art are measured on a fair value basis.

Valuations of the Guild's Works of art are obtained whenever there is an indication of a material change in the fair value, and at least every 3 years, with movements in the fair value recognised in the asset revaluation reserve.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

The carrying amount of property, plant and equipment is reviewed annually by the branch committee to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount of an asset is determined as the higher of fair value less costs to sell, and value in use, with value in use being determined as the written-down current cost (depreciated replacement cost) of the asset.

The Pharmacy Guild of Australia (NSW Branch)

Notes to the financial statements (continued)

For the year ended 30 June 2023

Note 3 Significant accounting policies (continued)

(e) Property, plant and equipment (continued)

(i) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Guild, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

(iii) Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over their useful lives to the Guild commencing from the time the asset is held ready for use.

The depreciation rates used for each class of assets are:

Class of Fixed Asset	Depreciation Rate
Buildings	2.50%
Plant and Equipment	10-33%
Building fit out	Lower of 20% or lease term

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each financial year. 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 disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income. When re-valued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(f) Employee benefits

(i) Defined contribution plans - superannuation

A defined contribution plan is a post-employment benefit plan under which an organisation pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available. Contributions to a defined contribution plan that are due more than 12 months after the end of the period in which the employees render the service are discounted to their present value.

(iii) Other long-term employee benefits

The Guild's net obligation in respect of long term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value using Milliman rates. Remeasurements are recognised in profit or loss in the period in which they arise.

The Pharmacy Guild of Australia (NSW Branch)

Notes to the financial statements (continued)

For the year ended 30 June 2023

Note 3 Significant accounting policies (continued)

(f) Employee benefits (continued)

(iii) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or other incentive plans if the Guild has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(g) Leases

At inception of a contract, the Guild assesses whether a contract or contains, a Lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Guild uses the definition of a lease in AASB 16.

(i) As a lessee

At commencement or on modification of a contract that contains a lease component, the Guild allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Guild has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Guild recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Guild by the end of the lease term or the cost of the right-of-use asset reflects that the Guild will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

	2023	2022
Photocopiers	3 years	3 years

The liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Guild's incremental borrowing rate. Generally, the Guild uses its incremental borrowing rate as the discount rate.

The Guild determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The Pharmacy Guild of Australia (NSW Branch)

Notes to the financial statements (continued)

For the year ended 30 June 2023

Note 3 Significant accounting policies (continued)

(g) Leases (continued)

(i) *As a lessee (continued)*

Lease payments included in the measurement of the lease liability comprise of the following:

- fixed payments, including in-substance fixed payments.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Guild's estimate of the amount expected to be payable under a residual value guarantee, if the Guild changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(iii) *Short-term leases*

The Guild has elected not to recognise right-of-use assets and lease liabilities for short-term leases. The Guild recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(h) Impairment of assets

At each reporting date, the Guild reviews the carrying values of its tangible 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 asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

As the Guild is a not-for-profit organisation, where the future economic benefits of an asset are not primarily dependent on the asset's ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use shall be determined as the depreciated replacement cost of the asset.

(i) Financial instruments

(i) *Recognition and derecognition*

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

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

(iii) *Classification and initial measurement of financial assets*

Financial assets are classified according to their business model and the characteristics of their contractual cash flows. Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

The Pharmacy Guild of Australia (NSW Branch)

Notes to the financial statements (continued)

For the year ended 30 June 2023

Note 3 Significant accounting policies (continued)

(i) Financial instruments (continued)

(iii) Subsequent measurement of financial assets

For the purposes of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into the following four categories:

- Financial assets at amortised cost;
- Financial assets at fair value through profit or loss (FVTPL);
- Debt instruments at fair value through other comprehensive income (FVTOCI); and
- Equity instruments at FVTOCI.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

(a) Financial assets at amortised cost

Financial assets with contractual cash flows representing solely payments of principal and interest and held within a business model of 'hold to collect' contractual cash flows are accounted for at amortised cost using the effective interest method. the Guild's receivables fall into this category of financial instruments.

Receivables comprise cash and cash equivalents, term deposits and trade and other receivables.

(iv) Impairment of financial assets

AASB 9's forward-looking impairment model applies to the Guild's assets valued at amortised cost. The application of the impairment model depends on whether there has been a significant increase in credit risk.

(a) Trade and other receivables and contract assets

Trade and other receivables and contract assets are impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency by a debtor, restructuring of an amount due to the Guild on terms that the Guild would not consider otherwise, indicators that a debtor or issuer will enter bankruptcy.

As most of these instruments have a high credit rating, the likelihood of default is deemed to be small. However, at each reporting date the Guild assesses whether there has been a significant increase in the credit risk of the instrument. In assessing these risks, the Guild relies on readily available information such as the credit ratings issued by the major credit rating agencies for the respective asset. the Guild only holds simple financial instruments for which specific credit ratings are usually available. In the unlikely event that there is no or only little information on factors influencing the ratings of the asset available, the Guild would aggregate similar instruments into a portfolio to assess on this basis whether there has been a significant increase in credit risk. In addition, the Guild considers other indicators such as adverse changes in business, economic or financial conditions that could affect the borrower's ability to meet its debt obligation or unexpected changes in the borrowers operating results. Should any of these indicators imply a significant increase in the instrument's credit risk, the Guild recognises for this instrument or class of instruments the lifetime expected credit losses.

The Pharmacy Guild of Australia (NSW Branch)

Notes to the financial statements (continued)

For the year ended 30 June 2023

Note 3 Significant accounting policies (continued)

(i) Financial instruments (continued)

(v) *Classification and measurement of financial liabilities*

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Guild designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

(j) Critical accounting estimates and judgements

The Branch Committee evaluates estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events based on current trends and economic data, obtained both externally and within the group.

Key estimates - Provision for doubtful debts

The Branch Committee assesses the provision for doubtful debts by reviewing trade and other receivables at each balance date and determining if there are indications that amounts owing to the guild are not in accordance with the expected credit loss model.

(k) Fair value measurement

The Guild measures its financial assets such as equity investments at fair value at each reporting period and non-financial assets at fair value such as artworks, with a new valuation obtained for artworks at least every 3 years in line with the Guild's accounting policy.

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

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

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

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

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

The Pharmacy Guild of Australia (NSW Branch)

Notes to the financial statements (continued)

For the year ended 30 June 2023

Note 3 Significant accounting policies (continued)

(k) Fair value measurement (continued)

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

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

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

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

(l) Investment Property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are carried at cost, less subsequent depreciation.

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

(m) Principles of consolidation

(i) Subsidiaries

A subsidiary is an entity controlled by the Guild. The Guild controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of the subsidiary, where considered material, are consolidated into the financial statements from the date that control commences until the date that control ceases.

An assessment as to the quantitative and qualitative materiality of the controlled entities is made each year, to determine whether the consolidated financial statements are required to be prepared.

For the year ended 30 June 2023, the Guild has not prepared consolidated financial statements as the controlled entities are dormant, and would therefore have an immaterial impact on the statement of profit or loss and other comprehensive income, statement of financial position, statement of changes in equity and the statement of cash flows for the Guild as at and for the year ended 30 June 2023.

The Pharmacy Guild of Australia (NSW Branch)

Notes to the financial statements (continued)

For the year ended 30 June 2023

Note 3 Significant accounting policies (continued)

(n) Current versus non-current classification

The Guild presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

(o) Investment in associates

The Guild's interests in equity-accounted investees comprise interest in associates.

Associates are those entities in which the Guild has significant influence and that is neither subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control or joint control, over those policies.

Interests in associates are accounted for using the equity method. It is initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the financial statement include the Guild's share of the profit or loss and OCI of equity accounted investees, until the date on which significant influence ceases.

The Pharmacy Guild of Australia (NSW Branch)

Notes to the financial statements (continued)

For the year ended 30 June 2023

Note 4 Revenue

4A: Government program revenue

In AUD

	2023	2022
Methadone incentive scheme funding	125,000	123,993
Mental health program funding	-	194,733
Needle and syringe exchange funding	180,395	167,042
NRT program funding	2,194	2,677
	<u>307,589</u>	<u>488,445</u>

4B: Revenue from recovery of wages activity

In AUD

	2023	2022
Amounts recovered from employers in respect of wages	-	-
Interest received on recovered monies	-	-
	<u>-</u>	<u>-</u>

4C: Disaggregated revenue disclosures

In AUD

	2023	2022
Overtime revenue recognised from membership subscriptions	3,347,158	3,441,194
Overtime revenue recognised from all other services and programs	2,105,953	1,410,600
Total revenue from contracts with customers	<u>5,453,111</u>	<u>4,851,794</u>
National Secretariat Funding revenue	1,640,680	1,696,175
Total Income for Furthering Objectives	<u>1,640,680</u>	<u>1,696,175</u>
Rental revenue	62,415	59,505
Other revenue	187,268	293,867
Fair Value gain on Financial asset at fair value through profit or loss	116,317	-
Total revenue	<u>7,767,380</u>	<u>6,901,341</u>

All revenue is geographically generated in Australia.

Note 5 Expenses

5A: Depreciation and amortisation

In AUD

	2023	2022
Leasehold improvements	-	-
Building fit out, plant and equipment	103,077	100,012
Land and buildings	201,667	201,667
Investment property	58,605	58,605
	<u>363,349</u>	<u>360,284</u>

5B: Legal costs

In AUD

	2023	2022
Litigation	-	-
Other legal matters	34,432	58,222
	<u>34,432</u>	<u>58,222</u>

The Pharmacy Guild of Australia (NSW Branch)

Notes to the financial statements (continued)

For the year ended 30 June 2023

Note 5 Expenses (continued)

5C: Employee benefit expenses

In AUD

Holders of office:

	2023	2022
Salaries and wages	158,974	153,698
Superannuation	16,692	15,370
Leave and other entitlements	30,346	16,266
Separation and redundancies	-	-
Other employee expenses	-	-
Subtotal employee expenses holders of office	206,012	185,334

In AUD

Employees other than office holders:

	2023	2022
Salaries and wages	2,748,546	2,360,659
Superannuation	325,816	273,789
Leave and other entitlements	369,279	267,573
Separation and redundancies	56,490	-
Other employee expenses	177,043	137,806
Sub total employees expenses other than office holders:	3,677,174	3,039,827

Total employee expenses

3,883,186	3,225,161
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5D: Grants or donations

In AUD

	2023	2022
Grants that were \$1,000 or less	-	-
Grants that exceeded \$1,000	-	-
Donations that were \$1,000 or less	4,950	1,046
Donations that exceeded \$1,000	26,318	68,436
	31,268	69,482

5E: Program Related Costs

In AUD

	2023	2022
Methadone incentive scheme payments	-	-
Needle & syringe exchange payments	-	-
Mental health program	-	108,098
NRT program	2,356	1,817
Other program payments	-	-
	2,356	109,915

The Pharmacy Guild of Australia (NSW Branch)

Notes to the financial statements (continued)

For the year ended 30 June 2023

Note 5 Expenses (continued)

5F: Administrative expenses

In AUD

	2023	2022
Consultancy and contractors fees	324,275	199,764
Property expenses	163,641	167,156
Information communication technology	228,480	222,070
Office expenses	165,428	153,582
Conference and meeting expenses	203,685	147,983
Other administrative expenses	91,889	76,822
Compulsory levies	-	-
Consideration to employers for payroll deductions of membership subscriptions	-	-
	<u>1,177,398</u>	<u>967,377</u>

5G: Other Expenses

In AUD

	2023	2022
Travel and accommodation expenses	195,051	62,065
Marketing expenses	18,992	21,741
Recruitment and training costs	50,213	106,323
Insurance	36,873	52,458
Other expenses	16,209	2,103
Penalties - via Fair Work Act 2009	-	-
	<u>317,338</u>	<u>244,690</u>

5H: Capitation and affiliation fees

In AUD

	2023	2022
National Secretariat of the Pharmacy Guild of Australia	1,601,222	1,316,813
	<u>1,601,222</u>	<u>1,316,813</u>

Affiliation fees are in respect of support services provided by the National Secretariat of the Pharmacy Guild of Australia to the Pharmacy Guild of Australia (NSW Branch) which enables the NSW Branch to continue its principal activities. There are no capitation or affiliation fees paid to political parties and industrial bodies during the year ended 30 June 2023 (2022: nil).

Note 6 Key management personnel remuneration

In AUD

	2023	2022
Short-term employee benefits		
Salaries	1,217,642	1,119,603
Non-cash benefits	102,450	30,000
Post-employment benefits		
Superannuation	135,785	121,460
	<u>1,455,877</u>	<u>1,271,063</u>

The number of people included as key management personnel is 20 (2022: 20), consisting of branch committee members and senior management personnel.

The Pharmacy Guild of Australia (NSW Branch)

Notes to the financial statements (continued)

For the year ended 30 June 2023

Note 7 Cash and cash equivalents

In AUD

	2023	2022
Cash at bank and on hand	3,950,318	7,126,851
Short term deposits	4,000,000	581,456
	<u>7,950,318</u>	<u>7,708,307</u>

Note 8 Trade and other receivables

In AUD

	2023	2022
Trade receivables	103,595	307,127
The Pharmacy Guild of Australia (National Secretariat)	-	725
Guild Insurance Limited	-	-
Gold Cross Products & Services Pty Limited	-	-
GuildLink Pty Limited	-	-
Guild Group Holdings Limited	-	-
Meridian Lawyers Limited	-	-
Guild Superannuation Services Pty Limited	-	-
Pharmacy Guild Sales and Valuations (NSW) Pty Limited	-	-
The Pharmacy Guild of Australia (ACT Branch)	-	-
The Pharmacy Guild of Australia (Northern Territory Branch)	-	-
The Pharmacy Guild of Australia (Queensland Branch)	5,964	-
The Pharmacy Guild of Australia (South Australia Branch)	-	-
The Pharmacy Guild of Australia (Tasmania Branch)	-	-
The Pharmacy Guild of Australia (Western Australia Branch)	-	-
Subtotal: Related party receivables	<u>5,964</u>	<u>725</u>
Trade receivables: Gross	<u>109,559</u>	<u>307,852</u>
Trade receivables: Gross	109,559	307,852
Provision for expected credit losses	-	-
Trade receivables: Net of provision for expected credit losses	<u>109,559</u>	<u>307,852</u>
Accrued income	571,951	503,280
	<u>681,510</u>	<u>811,132</u>

Trade receivables are generally on 30 day terms except for branch membership subscriptions which members can elect to pay by instalments in accordance within the Guild's Constitution. A provision for expected credit losses is recognised for aged receivables based on the Guild's debtors historical default rates.

Note 9 Other current assets

In AUD

	2023	2022
Prepayments	70,028	60,860
Rental straightlining and incentives receivable	18,974	30,734
	<u>89,002</u>	<u>91,594</u>

The Pharmacy Guild of Australia (NSW Branch)

Notes to the financial statements (continued)

For the year ended 30 June 2023

Note 10 Financial assets

In AUD

	2023	2022
Investment in managed equity funds held at fair value through profit or loss	3,635,212	3,462,140
Shares in controlled entities - at cost (Note 17)	88	34
	<u>3,635,300</u>	<u>3,462,174</u>

Cost of fair value investments in managed equity funds and market risk sensitivity analysis

The cost of the Guild's investment in managed equity funds as at 30 June 2023 was \$3,635,212 (2022:

\$3,462,140). A one percent increase or decrease in the unit price of the managed equity funds would have an impact on the profit and loss and equity by an increase or decrease of \$36,352 (2022: \$34,621).

Note 11 Property, plant and equipment

In AUD

	2023	2022
Office fit out, at cost	153,358	145,683
Accumulated depreciation	(84,057)	(63,952)
	<u>69,301</u>	<u>81,731</u>
Plant and equipment, at cost	672,488	651,277
Accumulated depreciation	(618,655)	(535,681)
	<u>53,833</u>	<u>115,596</u>
Land and buildings, at cost	6,321,842	6,321,842
Accumulated depreciation	(969,658)	(767,991)
	<u>5,352,184</u>	<u>5,553,851</u>
Works of art, at fair value	155,290	214,300
	<u>155,290</u>	<u>214,300</u>
Total property, plant and equipment	<u>5,630,608</u>	<u>5,965,478</u>

Movements in carrying amounts

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

In AUD

	Opening Balance	Additions	Depreciation	Disposals/ Revaluation	Closing Balance
2023					
Plant and equipment	115,596	21,211	(82,974)	-	53,833
Land and buildings	5,553,851	-	(201,667)	-	5,352,184
Works of art	214,300	-	-	(59,010)	155,290
Office fit out	81,731	7,675	(20,105)	-	69,301
Total	<u>5,965,478</u>	<u>28,886</u>	<u>(304,746)</u>	<u>(59,010)</u>	<u>5,630,608</u>

In AUD

	Opening Balance	Additions	Depreciation	Disposals/ Revaluation	Closing Balance
2022					
Plant and equipment	157,779	39,080	(81,263)	-	115,596
Land and buildings	5,755,518	-	(201,667)	-	5,553,851
Works of art	214,300	-	-	-	214,300
Office fit out	100,480	-	(18,749)	-	81,731
Total	<u>6,228,077</u>	<u>39,080</u>	<u>(301,679)</u>	<u>-</u>	<u>5,965,478</u>

The most recent valuation of the works of art was performed by an independent valuer on the 20th March 2023.

The Pharmacy Guild of Australia (NSW Branch)

Notes to the financial statements (continued)

For the year ended 30 June 2023

Note 12 Investment Property

In AUD

	2023	2022
Balance as at beginning of year	1,392,573	1,451,178
Depreciation expense	(58,605)	(58,605)
Balance as at 30 June	<u>1,333,968</u>	<u>1,392,573</u>

Investment property is accounted for under the cost model. There has been no additions or disposals during the year ended 30 June 2023 (2022: No additions or disposals).

The Pharmacy Guild of Australia (NSW Branch)

Notes to the financial statements (continued)

For the year ended 30 June 2023

Note 13 Trade and other payables

In AUD

	2023	2022
Trade payables	336,992	944,186
The Pharmacy Guild of Australia (National Secretariat)	101,425	226,943
Guild Insurance Limited	47,610	50,088
Gold Cross Products & Services Pty Limited	366	3,952
GuildLink Pty Limited	-	-
Guild Group Holdings Limited	-	-
Meridian Lawyers Limited	-	1,773
Guild Superannuation Services Pty Limited	-	6,143
Pharmacy Guild Sales and Valuations (NSW) Pty Limited	-	-
The Pharmacy Guild of Australia (ACT Branch)	-	1,029
The Pharmacy Guild of Australia (Northern Territory Branch)	-	-
The Pharmacy Guild of Australia (Queensland Branch)	-	1,138
The Pharmacy Guild of Australia (South Australia Branch)	-	62
The Pharmacy Guild of Australia (Tasmania Branch)	-	-
The Pharmacy Guild of Australia (Victoria Branch)	-	-
The Pharmacy Guild of Australia (Western Australia Branch)	-	466
Subtotal: Related party payables	149,401	291,594
Accrued expenses	1,316,951	576,278
Other Payables	312,134	259,835
	2,115,478	2,071,893

Note 14 Employee provisions

In AUD

	2023	2022
Holders of office:		
Current		
Liability for annual leave	80,328	54,223
Liability for long service leave	-	-
Liability for separation and redundancies	-	-
Other provisions	-	-
Subtotal current employee provisions—holders of office	80,328	54,223
Non-current		
Liability for annual leave	-	-
Liability for long service leave	11,307	-
Liability for separation and redundancies	-	-
Other provisions	-	-
Subtotal non-current employee provisions—holders of office	11,307	-
Subtotal employee provisions—holders of office	91,635	54,223
Employees other than office holders:		
Current		
Liability for annual leave	307,485	229,477
Liability for long service leave	209,224	189,384
Liability for separation and redundancies	-	-
Other provisions	-	-
Subtotal current employee provisions—employees other than office holders	516,709	418,861

The Pharmacy Guild of Australia (NSW Branch)

Notes to the financial statements (continued)

For the year ended 30 June 2023

Note 14 Employee provisions (continued)

Employees other than office holders: (continued)

Non-current	2023	2022
Liability for annual leave	-	-
Liability for long service leave	65,765	37,747
Liability for separation and redundancies	-	-
Other provisions	-	-
Subtotal non-current employee provisions—employees other than office holders	65,765	37,747
Subtotal employee provisions—employees other than office holders	582,474	456,608
Current employee provisions	597,037	473,084
Non-current employee provisions	77,072	37,747
Total employee provisions	674,109	510,831

Note 15 Deferred income

In AUD

	2023	2022
Membership subscriptions in advance	1,034,812	1,253,370
Other deferred income	777,334	994,946
	1,812,146	2,248,316

Note 16 Reserves

In AUD

	2023	2022
Asset revaluation reserve	146,602	205,558
Reconciliation of movements in the asset revaluation reserve		
Opening balance	205,558	205,558
Revaluation of works of art	(58,956)	-
Transfer to retained earnings on sale of land and building	-	-
Closing balance	146,602	205,558

Other specific disclosures - funds

Compulsory levy	-	-
Other fund(s) required by rules	-	-

Note 17 Controlled entities

Name	% Ownership interest		Investment at cost	
	2023	2022	2023	2022
Pharmacy Guild Services (NSW) Pty Ltd	100	100	76	22
Pharmacy Guild Sales & Valuations (NSW) Pty Ltd	100	100	12	12

Pharmacy Guild Services (NSW) Pty Ltd is the intermediate holding company for Pharmacy Guild Sales & Valuations (NSW) Pty Ltd, the controlled entities are incorporated in Australia. Both controlled entities had a nil contribution towards the surplus for the year (2022: nil).

The Pharmacy Guild of Australia (NSW Branch)

Notes to the financial statements (continued)

For the year ended 30 June 2023

Note 18 Related party transactions

Identity of related parties

The Pharmacy Guild of Australia (NSW Branch) is part of an Australia wide organisation being the Pharmacy Guild of Australia. The related parties of the Pharmacy Guild of Australia (NSW Branch) include entities within the broader Pharmacy Guild of Australia and key management personnel.

In AUD

2023

2022

Transactions with related parties during the year

During the year, the following services were transacted with fellow Guild entities:

Sales	2,327,227	1,642,193
Purchases	(2,449,794)	(1,812,249)

Sales to related parties during the year consisted of commissions revenue and funding received from the National Secretariat in respect of the pharmacy transformation business support allowance. Purchases from related parties during the year consisted of affiliation fees paid, the purchase of IT support and other services.

Amounts owing by/(to) related parties at year end

Amounts receivable	5,964	725
Amounts payable	(149,401)	(291,594)

No expected credit losses have been raised in relation to any outstanding balances, and no expense has been recognised in respect of expected credit losses due from amounts owing by related party.

Key management personnel remuneration

Refer to note 6 for key management personnel remuneration.

Note 19 Information to be provided to Members or Commissioner

Subsection 272 (1)

A member of a reporting unit, or the Commissioner, 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.

Subsection 272 (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.

Subsection 272 (3)

An organisation must comply with an application made under subsection (1).

The Pharmacy Guild of Australia (NSW Branch)

Notes to the financial statements (continued)

For the year ended 30 June 2023

Note 20 Cash flow information

(a) Reconciliation of cash

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

In AUD

	2023	2022
Cash on hand	-	-
Cash at bank	3,950,318	7,126,851
Short term deposits	4,000,000	581,456
	<u>7,950,318</u>	<u>7,708,307</u>

(b) Reconciliation of net cash flows from operating activities with operating surplus after income tax

In AUD

	2023	2022
Surplus for the year	530,307	55,311
Non-cash flows in operating surplus		
- Depreciation and amortisation	363,349	360,284
- Net gain in revaluation of financial assets	-	-
- Net loss on sale of property, plant and equipment	-	-
- Rental income from investment property	(62,415)	(59,505)
- Non cash distributions received from managed equity funds	(56,753)	(195,195)
- Net gain in equity investment	(116,317)	
- Fair value loss/(gain) on financial assets	-	483,559
- Interest expense on lease liabilities	2,644	1,135
<i>Changes in assets and liabilities:</i>		
Decrease/(increase) in trade and other receivables	129,622	142,086
Decrease/(increase) in other assets	2,592	137,245
Decrease in inventories	-	-
Increase/(decrease) in trade and other payables	43,585	634,804
Increase/(decrease) in deferred income	(436,170)	18,530
(Decrease)/increase in employee provisions	163,278	(3,294)
Cash flows from operations	<u>563,722</u>	<u>1,574,960</u>

The Pharmacy Guild of Australia (NSW Branch)

Notes to the financial statements (continued)

For the year ended 30 June 2023

Note 20 Cash flow information (continued)

(c) Related party cashflow information

In AUD

	2023	2022
Cash inflows from related parties		
The Pharmacy Guild of Australia (National Secretariat)	1,416,248	1,214,162
Guild Insurance Limited	207,817	-
Gold Cross Products & Services Pty Limited	390,149	319,315
GuildLink Pty Limited	-	-
Guild Group Holdings Limited	-	-
Meridian Lawyers Limited	760	-
Guild Superannuation Services Pty Limited	-	-
Pharmacy Guild Sales and Valuations (NSW) Pty Limited	213,467	91,752
The Pharmacy Guild of Australia (ACT Branch)	-	-
The Pharmacy Guild of Australia (Northern Territory Branch)	-	-
The Pharmacy Guild of Australia (Queensland Branch)	35,328	5,825
The Pharmacy Guild of Australia (South Australia Branch)	-	-
The Pharmacy Guild of Australia (Tasmania Branch)	-	-
The Pharmacy Guild of Australia (Victoria Branch)	-	-
The Pharmacy Guild of Australia (Western Australia Branch)	-	-
Total cash inflows from related parties	2,263,769	1,631,054
Cash outflows to related parties		
The Pharmacy Guild of Australia (National Secretariat)	1,742,050	1,578,485
Guild Insurance Limited	36,525	53,625
Gold Cross Products & Services Pty Limited	2,241	781
GuildLink Pty Limited	-	-
Guild Group Holdings Limited	-	-
Meridian Lawyers Limited	7,726	37,814
Guild Superannuation Services Pty Limited	108,219	71,932
Pharmacy Guild Sales and Valuations (NSW) Pty Limited	23,050	12,285
The Pharmacy Guild of Australia (ACT Branch)	2,736	217
The Pharmacy Guild of Australia (Northern Territory Branch)	16	61
The Pharmacy Guild of Australia (Queensland Branch)	25,326	23,888
The Pharmacy Guild of Australia (South Australia Branch)	56	872
The Pharmacy Guild of Australia (Tasmania Branch)	59	241
The Pharmacy Guild of Australia (Victoria Branch)	743	2,886
The Pharmacy Guild of Australia (Western Australia Branch)	424	1,184
Australian College of Pharmacy	340,000	-
Total cash outflows to related parties	2,289,171	1,784,271

The Pharmacy Guild of Australia (NSW Branch)

Notes to the financial statements (continued)

For the year ended 30 June 2023

Note 21 Financial instruments - fair values and risk management

(a) Capital Management

The Guild's financial instruments consist of cash and cash equivalents, trade receivables, financial assets at fair value and trade payables. Branch funds are invested in accordance with the Guild's Constitution either with reputable banks or in managed equity funds. The Branch manages liquidity risk by monitoring forecast cash flows and ensuring that adequate surplus funds are maintained to meet financial obligations.

When managing capital, the Guild's objective is to ensure that the organisation continues as a going concern as well as to maintain optimal benefits for stakeholders. The Guild also aims to maintain a capital structure that ensures the lowest cost of capital available to the organisation.

The Guild is not subject to any externally imposed capital requirements.

(b) Credit risk

The Guild continuously monitors defaults by customers and other counterparties and incorporates this information into its credit risk review. The Guild's management considers and tests all financial assets for impairment at each reporting date.

The credit risk for cash and cash equivalents and financial assets at fair value is considered negligible, since the counterparties are reputable with high quality external credit ratings.

In respect of trade and other receivables, the Guild is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Trade receivables are on 30 day terms except for branch membership subscriptions which members can elect to pay by instalments in accordance with the Guild's Constitution. No terms have been renegotiated during the year.

The provision for impairment at 30 June 2023 is \$0 (2022: \$0). A provision for impairment is recognised based on expected credit losses. Collateral is not held as security, nor is it the Guild's policy to transfer (on-sell) receivables.

The ageing of financial assets is as follows:

<i>In AUD</i>	2023	2022
0-30 days	22,979	302,426
31-60 days PDNI*	2,600	248
31-60 days CI*	-	-
61-90 days PDNI*	9,060	497
61-90 days CI*	-	-
+91 days PDNI*	74,919	4,681
+91 days CI*	-	-
	109,559	307,852

PDNI* Past due not considered impaired

CI* Considered to be impaired

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes to the financial statements. The organisation has material credit risk exposure within the pharmaceutical industry, given the majority of the Guilds members and customers operate within this industry.

The Pharmacy Guild of Australia (NSW Branch)

Notes to the financial statements (continued)

For the year ended 30 June 2023

Note 21 Financial instruments - fair values and risk management (continued)

(c) Sensitivity Analysis

The Guild has exposure to market risk and interest rate risk, the Guild does not have any exposure to currency or other financial risks.

Market risk

The Guild has exposure to market risk relating to its financial assets held at fair value through profit or loss, being investments in managed equity funds, at balance date. Refer to note 10 for sensitivity analysis relating to the Guild's exposure to market risk.

Interest rate risk

The Guild has performed sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks. The Guild is exposed to changes in market interest rates through the cash held at banks which are subject to variable and fixed interest rates.

The following table illustrates the sensitivity of the net result for the year and the equity to a reasonably possible change in interest rates of + 1 % and - 1 % (2022: + 1 % and - 1 %), With the effect from the beginning of the year. These changes are considered to be reasonably possible based on observations of current market conditions.

The calculations are based on the Guild's cash and cash equivalents held at each balance date. All other variables are held constant.

<i>In AUD</i>	2023	2023	2022	2022
Net result for the year	78,285	(78,285)	68,992	(68,992)
Equity	78,285	(78,285)	68,992	(68,992)

The financial assets and liabilities of the organisation are as follows:

		Weighted average effective interest rate		Floating & fixed interest rate		Non-interest bearing	
<i>In AUD</i>	Note	2023 %	2022 %	2023	2022	2023	2022
Financial assets							
Cash at bank	7	2.85	0.48	3,950,318	7,126,851	-	-
Short term bank deposit	7	1.70	0.11	4,000,000	581,456	-	-
Trade and other receivables	8	-	-	-	-	681,510	811,132
Financial assets at fair value through profit or loss	21	-	-	-	-	3,635,212	3,462,140
Total financial assets				7,950,318	7,708,307	4,316,722	4,273,272
Financial liabilities							
Trade and other payables		-	-	-	-	2,115,478	2,071,893
Total financial liabilities				-	-	2,115,478	2,071,893

The Pharmacy Guild of Australia (NSW Branch)

Notes to the financial statements (continued)

For the year ended 30 June 2023

Note 21 Financial instruments - fair values and risk management (continued)

(d) Fair value measurement

Management of the Guild have assessed that cash and cash, trade and other receivables and trade and other payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of financial assets at fair value through profit or loss is the amount at which the instrument could be exchanged in a current transaction between willing parties. The fair value of financial assets held at fair value through profit or loss is derived from the observable unit price of the managed equity fund at balance date.

The following table contains the carrying amounts and related fair values for the Guild's financial assets and liabilities.

<i>In AUD</i>	Carrying amount		Fair value	
	2023	2022	2023	2022
Financial assets				
Cash and cash equivalents	7,950,318	7,708,307	7,950,318	7,708,307
Trade and other receivables	681,510	811,132	681,510	811,132
Financial assets at fair value through profit or loss	3,635,212	3,462,140	3,635,212	3,462,140
Total financial assets	12,267,040	11,981,579	12,267,040	11,981,579
Financial liabilities				
Trade and other payables	2,115,478	2,071,893	2,115,478	2,071,893
Total financial liabilities	2,115,478	2,071,893	2,115,478	2,071,893

Fair value hierarchy

The following table provides an analysis of financial assets that are measured at fair value, by valuation method. The different levels have been identified as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the asset that are not based on observable market data (unobservable inputs).

<i>In AUD</i>	Level 1	Level 2	Level 3
30 June 2023			
Financial assets at fair value through profit or loss	-	3,635,212	-
	-	3,635,212	-
30 June 2022			
Financial assets at fair value through profit or loss	-	3,462,140	-
	-	3,462,140	-

There were no transfers between level 1 and level 2 during the year in either direction (2022: No transfers in either direction). There were no transfers between level 2 and level 3 during the year in either direction (2022: No transfers in either direction).

The Pharmacy Guild of Australia (NSW Branch)

Notes to the financial statements (continued)

For the year ended 30 June 2023

Note 22 Subsequent events

Subsequent to year-end, on 1 July 2023, certain Guild staff members were transferred to Australian College of Pharmacy (ACP) including, their employee provisions which were classified as current liabilities as at 30 June 2023. There have been no other events subsequent to reporting date which would have a material effect on the Guild's financial statements as at 30 June 2023.

Note 23 Contingent liabilities

The Guild has no contingent liabilities and nil bank guarantees as at 30 June 2023 (2022: \$0).

Note 24 Remuneration of auditors

In AUD

	2023	2022
Audit of financial report, Guild and subsidiary	50,000	50,000
Other services		
Preparation of financial statements	6,500	6,500
Other assurance engagements	1,500	1,500
	<u>58,000</u>	<u>58,000</u>

Note 25 NSW Government funding programs

The following programs operate throughout the state and are wholly funded by the NSW Government:

- Methadone incentive scheme
- Mental health community pharmacy program
- Needle and syringe exchange
- NRT (Nicotine replacement therapy) program

Note 26 Specific requirements of the Fair Work (Registered Organisations) Act 2009

The Guild did not:

- agree to receive financial support from another reporting unit to continue as a going concern (refers to agreement regarding financial support not dollar amount)
- agree to provide financial support to another reporting unit to ensure they continue as a going concern (refers to agreement regarding financial support not dollar amount)
- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- receive revenue from undertaking recovery of wages activity
- incur fees as consideration for employers making payroll deductions of membership subscriptions
- pay compulsory levies
- pay legal costs relating to litigation
- have a payable to an employer for that employer making payroll deductions of membership subscriptions
- have a payable in respect of legal costs relating to litigation
- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- have a balance within the general fund

In AUD

	2023	2022
Expenses incurred in connection with holding meetings of members of the reporting unit and any conferences or meetings of councils, committees, panels or other bodies for the holding of which the reporting unit was wholly or partly responsible.	30,600	39,000

The Pharmacy Guild of Australia (NSW Branch)

Notes to the financial statements (continued)

For the year ended 30 June 2023

Note 27 Leases

The Guild as a lessee

In AUD

2023 **2022**

The Guild leases photocopiers under an operating lease arrangement.

(a) Right-of-use assets recognised with property, plant and equipment

Balance as at beginning of year	30,827	6,957
Additions	-	39,080
Depreciation expense	(14,211)	(15,210)
Balance as at 30 June	<u>16,616</u>	<u>30,827</u>

(b) Amounts recognised in profit or loss

Interest expense on lease liabilities	1,144	1,135
Depreciation of right of use assets	14,211	15,210
Expenses relating to short-term leases	-	4,796
	<u>15,355</u>	<u>21,141</u>

(c) Amounts recognised in statement of cash flows

Total cash outflow for leases	<u>15,240</u>	<u>16,340</u>
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(d) Lease liabilities

Current lease liabilities	16,113	13,996
Non-current lease liabilities	2,524	17,237
	<u>18,637</u>	<u>31,233</u>

The Guild as a lessor

In AUD

2023 **2022**

Less than one year	74,576	59,825
One to five years	89,843	131,935
More than five years	-	-
	<u>164,419</u>	<u>191,760</u>

In AUD

2023

	Fixed payments	Variable payments	Total
Fixed rent	73,903	-	73,903
Variable rent with minimum payment	-	-	-
Variable rent only	-	-	-
	<u>73,903</u>	<u>-</u>	<u>73,903</u>

2022

Fixed rent	59,505	-	59,505
Variable rent with minimum payment	-	-	-
Variable rent only	-	-	-
	<u>59,505</u>	<u>-</u>	<u>59,505</u>

The Pharmacy Guild of Australia (NSW Branch)

Notes to the financial statements (continued)

For the year ended 30 June 2023

Note 28 Investment in Associates

On 23 June 2023, the Guild acquired equity interest of 24.5% in Australasian College of Pharmacy (ACP). ACP is a Registered Training Organisation principally engaged in providing accredited high quality, affordable and accessible Continuing Professional Development (CPD) trainings and courses. The following table summarises the financial information of ACP as included in its own financial statements. The table also reconciles the summarised financial information to the carrying amount of the Guild's interest in ACP.

In AUD

	2023	2022
Percentage ownership interest	24.50%	-
Non-current assets	76,348	-
Current assets	2,293,415	-
Non-current liabilities	(1,848)	-
Current liabilities	(1,863,227)	-
Net assets (100%)	504,687	-
 Guild's share of net assets (24.5%)	 123,648	 -
Goodwill	216,352	-
	340,000	-
 Carrying amount of interest in associate	 340,000	 -
 Revenue		
Profit from continuing operations (100%)	133,498	-
Other comprehensive income (100%)	-	-
Total comprehensive income (100%)	133,498	-
 Guild's share of total comprehensive income	 -	 -

The Guild recognised nil income from its investment in associate during the year ended 30 June 2023.

The Pharmacy Guild of Australia (NSW Branch)

Committee of management statement

For the year ended 30 June 2023

On 29 August 2023, the Committee of Management of The Pharmacy Guild of Australia (NSW Branch) ("Guild") passed the following resolution in relation to the general purpose financial report ("GPFR") for the year ended 30 June 2023:

The Committee of Management declares that in its opinion:

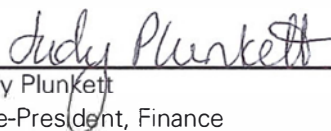
- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 ("RO Act");
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position, cash flows and changes in equity of the Guild for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the Guild will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the committee of management were held in accordance with the rules of organisation including the rules of the branch concerned;
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of organisation including the rules of the branch concerned;
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act;
 - (iv) where the organisation consists of two or more reporting units, the financial records of the reporting units have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation;
 - (v) where information has been sought in any request by a member of The Pharmacy Guild of Australia (NSW Branch) or Commissioner duly made under Section 272 of the RO Act has been provided to the member or Commissioner; and
 - (vi) where any order for inspection of financial records has been made by the Fair Work Commission under Section 273 of the RO Act, there has been compliance.
- (f) no revenue has been derived from undertaking recovery of wages activity during the reporting period.

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



David Heffernan
Branch President

Dated at Sydney this 29th day of August 2023



Judy Plunkett
Vice-President, Finance

Dated at Sydney this 29th day of August 2023



Independent Auditor's Report

To the members of The Pharmacy Guild of Australia (NSW Branch)

Opinion

We have audited the **Financial Report** of *The Pharmacy Guild of Australia (NSW Branch) (the Branch)*.

In our opinion, the accompanying Financial Report presents fairly, in all material respects, the financial position of The Pharmacy Guild of Australia (NSW Branch) as at 30 June 2023, and of its financial performance and its cash flows for the year then ended, in accordance with:

- *Australian Accounting Standards*
- Any other requirement imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the RO Act).

The **Financial Report** comprises:

- Statement of financial position as at 30 June 2023;
- Statement of profit or loss and other comprehensive income, Statement of changes in equity, and Statement of cash flows for the year then ended;
- Notes including a summary of significant accounting policies;
- Committee of Management Statement; and
- Subsection 255(2A) report.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Branch in accordance with the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the *Financial Report* in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Restriction on use and distribution

The Financial Report has been prepared to assist the Members of the Branch in complying with the financial reporting requirements of the Fair Work (Registered Organisations) Act 2009.

As a result, the Financial Report and this Auditor's Report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

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Our report is intended solely for the Members of The Pharmacy Guild of Australia (NSW Branch) and the Registered Organisations Commission and should not be used by or distributed to parties other than the Members of The Pharmacy Guild of Australia (NSW Branch) and the Registered Organisations Commission. We disclaim any assumption of responsibility for any reliance on this report, or on the Financial Report to which it relates, to any person other than the Members of The Pharmacy Guild of Australia (NSW Branch) and the Registered Organisations Commission or for any other purpose than that for which it was prepared.

Other Information

Other Information is financial and non-financial information in The Pharmacy Guild of Australia (NSW Branch)'s annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Committee of Management is responsible for the Other Information.

The Other Information we obtained prior to the date of this Auditor's Report was the Operating Report.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we 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.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Committee of Management for the Financial Report

The Committee of Management of the Branch are responsible for:

- the preparation and fair presentation of the Financial Report in accordance with the financial reporting requirements of *Australian Accounting Standards* and requirements of the Fair Work (Registered Organisations) Act 2009;
- implementing necessary internal control to enable the preparation of Financial Report that is free from material misstatement, whether due to fraud or error;
- assessing the Branch's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Branch or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in



accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our Auditor's Report.

Opinion

In our opinion, the Committee of Management's use of going concern basis of accounting in the preparation of the Financial report is appropriate.

I am an auditor registered under the Fair Work (Registered Organisation) Act 2009.

KPMG

Cameron Roan

Partner

Sydney

29 August 2023

Registration number under RO Act: AA2020/18

Registered Company Auditor number: 294725

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Cameron Roan
KPMG
Level 38 Tower Three
300 Barangaroo Avenue
Sydney NSW 2000

29 August 2023

Dear Cameron,

Representation letter – audit of annual financial report for the period 1 July 2022 to 30 June 2023

This representation letter is provided in connection with your audit of the annual financial report of The Pharmacy Guild of Australia (NSW Branch) ("the Guild") which comprises the statement of financial position as at 30 June 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes including a summary of significant accounting policies (financial report), for the purpose of expressing an opinion as to whether the financial report gives a true and fair view of the financial position of the Company and its financial performance and its cash flows in accordance with Australian Accounting Standards and the Fair work (Registered Organizations) Act 2009.

Certain representations in this letter are described as being limited to matters that are material.

Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

Materiality depends on the nature or magnitude of information or both. An entity assesses whether information, either individually or in combination with other information, is material in the context of its financial statements taken as a whole.

Information is obscured if it is communicated in a way that would have a similar effect for primary users of financial statements to omitting or misstating that information. The following are examples of circumstances that may result in material information being obscured:

- (a) information regarding a material item, transaction or other event is disclosed in the financial statements but the language used is vague or unclear;
- (b) information regarding a material item, transaction or other event is scattered throughout the financial statements;
- (c) dissimilar items, transactions or other events are inappropriately aggregated;
- (d) similar items, transactions or other events are inappropriately disaggregated; and
- (e) the understandability of the financial statements is reduced as a result of material information being hidden by immaterial information to the extent that a primary user is unable to determine what information is material.

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Assessing whether information could reasonably be expected to influence decisions made by the primary users of a specific reporting entity's general purpose financial statements requires an entity to consider the characteristics of those users while also considering the entity's own circumstances.

Many existing and potential investors, lenders and other creditors cannot require reporting entities to provide information directly to them and must rely on general purpose financial statements for much of the financial information they need. Consequently, they are the primary users to whom general purpose financial statements are directed. Financial statements are prepared for users who have a reasonable knowledge of business and economic activities and who review and analyse the information diligently. At times, even well-informed and diligent users may need to seek the aid of an adviser to understand information about complex economic phenomena.

We confirm, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

General

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated 1 June 2023, for the preparation of the financial report that gives a true and fair view in accordance with applicable Australian Accounting Standards (AASBs) and the Fair work (Registered Organization) *Act 2009*.
2. In preparing the financial report:
 - We have determined that based on AASB 1053 *Application of Tiers of Australian Accounting Standards* the Company is publicly accountable and have therefore applied Tier 1 reporting requirements.
 - We have adopted appropriate Australian Accounting Standards and accounting policies, including complying with all applicable recognition, measurement and disclosure requirements of the Australian Accounting Standards.
 - The methods, the data and the significant assumptions used in making accounting estimates, and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.
3. We have provided you with:
 - Access to all information of which we are aware that is relevant to the preparation of the financial report, such as records, documentation and other matters;
 - Additional information that you have requested from us for the purpose of the audit; and
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
4. All transactions have been recorded in the accounting records and reflected in the financial report.
5. We acknowledge our responsibility for such internal control as we determine necessary for the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In particular, we acknowledge our responsibility for the design,

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implementation and maintenance of internal control to prevent and detect fraud and error.

We have disclosed to you the results of management's assessment of the risk that the financial report may be materially misstated as a result of fraud.

6. We understand that the term "fraud" includes misstatements resulting from fraudulent financial reporting and misstatements resulting from misappropriation of assets. Misstatements resulting from fraudulent financial reporting involve intentional misstatements or omissions of amounts or disclosures in financial reports to deceive financial report users. Misstatements resulting from misappropriations of assets involve the theft of an entity's assets, often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorisation.
7. We have disclosed to you all instances of:
 - (a) Fraud or suspected fraud that we are aware of and that affects the Company and involves:
 - Management;
 - Employees who have significant roles in internal control; or
 - Others where the fraud could have a material effect on the financial report.
 - (b) Allegations of fraud, or suspected fraud, affecting the Company's financial report communicated by employees, former employees, analysts, regulators or others.
8. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws or regulations whose effects should be considered when preparing the financial report. Further, we have disclosed to you and have appropriately accounted for and/or disclosed in the financial report in accordance with Australian Accounting Standards all known actual or possible litigation and claims whose effects should be considered when preparing the financial report.
9. We have provided you with all information regarding all of the key risk factors, assumptions and uncertainties of which we are aware that the relevant to the Guild's ability to continue as a going concern, in accordance with the requirements of AASB 101 *Presentation of Financial Statements*.
10. We have disclosed to you the identity of the Company's related parties and all the related party relationships and transactions of which we are aware and all related party relationships and transactions have been appropriately accounted for and disclosed in accordance with AASB 124 *Related Party Disclosures*.
11. All events subsequent to the date of the financial report and for which Australian Accounting Standards require adjustment or disclosure have been adjusted or disclosed.
12. We have made an assessment of the Guild's ability to continue as a going concern taking into account all available information about the future, which is at least, but is not limited to, twelve Months from the date of approval of the financial statement. We confirm that we have not identified events or conditions that may cast significant doubt upon the Guild's ability to continue as a going concern.

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Assets and Liabilities

13. The Guild has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities. We believe the carrying value of all material assets will be recoverable.
14. The measurement, presentation and disclosure of fair values are in accordance with Australian Accounting Standards. The measurement methods and significant assumptions used in determining fair values are appropriate in the circumstances and the resulting valuations and disclosures are reasonable.
15. We have recorded all liabilities and disclosed all contingent liabilities in the financial report in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*.
16. All known actual or possible litigation and claims whose effects should be considered when preparing the financial report have been disclosed to you and accounted for and/or disclosed in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*. Except as disclosed in the notes to the financial report, we are not aware of any additional claims that have been or are expected to be received that could have a material effect on the financial report.
17. The Guild has satisfactory title to all assets and there are no liens or encumbrances on the Company's assets other than those reflected in the financial report.
18. The following have been properly recorded and/or, when appropriate, adequately disclosed in the financial report in accordance with the requirements of the AASBs:
 - Losses arising from sale and purchase commitments that are onerous contracts under AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*;
 - Agreements and options to buy back assets previously sold, including sales with recourse;
 - Arrangements with financial institutions involving restrictions on cash balances and lines of credit or similar arrangements;
19. We have no non-current assets or disposal groups that are required by AASB 5 *Non-current Assets Held for Sale and Discontinued Operations*, to be classified as held for sale
20. We have identified each part of an item of property, plant and equipment that is significant in relation to the total cost of the item and depreciated each item separately in accordance with AASB 116 *Property, Plant and Equipment*.
21. There were no material contractual commitments for capital or other expenditure at year end not included in the financial report.
22. There were no open put or call options related to assets or liabilities (or potential assets or liabilities) of material significance to the Company which could if exercised have a material effect on the carrying amount of assets and liabilities and the profit and loss result for the period.

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Revenue

23. All sales transactions are final and there are no side agreements with customers or other terms that allow for the return of merchandise, except for conditions covered by the usual and customary warranties.

Financial Instruments (assets, liabilities, guarantees)

24. Disclosures in respect of financial instruments as required by AASB 7 *Financial Instruments*: Disclosures have been appropriately incorporated in the financial report. Information relating to the Company's exposures to risk arising from financial instruments and how those exposures arise, including a description of our objectives, policies and processes for managing the risk arising from financial instruments and the methods used to measure this risk, has been appropriately disclosed in the financial report as required by AASB 7 *Financial Instruments: Disclosures*.

We have disclosed the methods and assumptions applied in determining the fair values of each class of financial instrument.

In addition, the above disclosures include summary quantitative data on each type of risk arising from financial instruments, including sensitivity analysis, information on concentrations of risk and a description of how such concentrations are determined. Further, the quantitative data disclosed are representative of the Company's exposure to risks arising from financial instruments during the period.

25. We have considered all financial instruments within the scope of impairment requirements of AASB 9 *Financial Instruments*, other than those for which the loss allowance is always measured at an amount equal to lifetime expected credit losses, in assessing whether credit risk on these instruments has increased significantly since their initial recognition. For all instruments where credit risk has increased significantly since initial recognition, the loss allowance in the financial statements is measured at an amount equal to lifetime expected credit losses.

We confirm that in estimating the loss allowance for expected credit losses we have considered relevant, reasonable and supportable forward-looking information reasonably available without undue cost and effort at the reporting date.

We believe the assumptions and techniques used by us regarding fair value of financial assets and financial liabilities are appropriate and that all fair value measurements are determined in accordance with AASB 13 *Fair Value Measurement*. In circumstances where the fair value of a financial asset or liability at initial recognition is different from the transaction price, we have immediately recognised a gain or loss equal to the difference in the income statement if and only if the fair value measurement is evidenced by a quoted price in an active market for an identical asset or liability, or is based on a valuation technique that uses only data from observable markets. If the fair value measurement at initial recognition does not meet either of these conditions, then the difference is deferred and subsequently recognised as a gain or loss only to the extent it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

We have assessed all financial assets, except those measured at fair value through profit or loss, to determine whether there is any objective evidence of impairment as a result of one or more loss events that occurred subsequent to their initial recognition, and any

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impairments identified have been recognised in the financial statements, as appropriate. In respect of investments in equity instruments, we have recognised an impairment loss when there has been a significant or prolonged decline in the fair value of the instrument below cost, or other objective evidence of impairment. We have determined whether a decline in fair value below cost is 'significant' or 'prolonged' in accordance with criteria as disclosed in the financial report.

26. The Guild has applied the principles in AASB132 Financial instruments: Presentation appropriately in determining the presentation of financial instruments as financial liabilities or equity.

Judgements and Assumptions

27. The following have been properly disclosed in the notes to the financial report:

(a) Judgements, apart from those involving estimations, management has made in

- i. determining that no material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern exist, and
- ii. the process of selecting and applying the entity's accounting policies that have the most significant effect on the amounts recognised in the financial statements including:
 - Classification and reclassification of financial instruments.
 - Recognition of impairment on financial and non-financial assets.
 - The criteria developed by the entity to distinguish investment property from owner-occupied property and from property held for sale in the ordinary course of business, when classification of property is difficult (pursuant to requirement in AASB 140 *Investment Property*.)

(b) Key assumptions concerning the future, and other key sources of estimation uncertainty at the date of the statement of financial position, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year, including.

- major assumptions concerning future events affecting provisions and contingent liabilities made under AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*:
- significant assumptions applied in estimating fair values of financial assets and liabilities that are carried at fair value, as required by AASB 7 *Financial Instruments*: Disclosures.
- significant assumptions applied in estimating fair values of revalued items of property, plant and equipment, as required by AASB 116 *Property, Plant and Equipment*.

Post-Employment Benefits

28. All post-employment benefit plans set out in the attached schedule have been identified, properly classified and accounted for, either as defined benefit or defined contribution plans in accordance with AASB 119 *Employee Benefits*.

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29. On the basis of the process established by us, and having made appropriate enquiries, we are satisfied that the actuarial assumptions underlying the valuation of defined benefit plan liabilities are consistent with our Knowledge of the employee population Profile.

We further confirm that:

- (a) all significant post-employment benefits, including any arrangements that are statutory, contractual or implicit in the employer's actions; arise in the NSW; are either funded or unfunded; and have been identified and properly accounted for;
- (b) all settlements and curtailments, or other changes to the plan, have been identified and properly accounted for;
- (c) all employee benefits for key management personnel are disclosed adequately.

Leases

30. We have identified all leases where the Company a lessee or a lessor, including having regard to the definition of a lease in AASB 16 *Leases*, and accounted for them in accordance with AASB 16 *Leases*.

31. On the basis of the process established by us, and having made appropriate enquiries, we are satisfied that the assumptions applied in determining the lease term, lease payments and discount rate are appropriate.

Records

32. We have made available to you all minutes of meetings of Executive and committee members.

Yours faithfully

Daniel Kicuroski

Branch Director

Jason Shaw

Director Finance

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