



3 November 2023

Anthony Tassone  
Branch President  
The Pharmacy Guild of Australia-Victoria Branch

Sent via email: [info@vic.guild.org.au](mailto:info@vic.guild.org.au)  
CC: [Kylee.Byrne@pitcher.com.au](mailto:Kylee.Byrne@pitcher.com.au)

Dear Anthony Tassone

**The Pharmacy Guild of Australia-Victoria Branch  
Financial Report for the year ended 30 June 2023 – (FR2023/123)**

I acknowledge receipt of the financial report for the year ended 30 June 2023 for the Pharmacy Guild of Australia-Victoria Branch. The documents were lodged with the Fair Work Commission (the Commission) on 12 October 2023.

The financial report has now been filed.

The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under 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 the financial report for the year ending 30 June 2024 may be subject to an advanced compliance review.

You are not required to take any further action in respect of the report lodged. I make the following comments to assist you when you next prepare a financial report. The Commission will confirm these concerns have been addressed prior to filing next year's report.

**Reference to Registered Organisations Commissioner**

The Fair Work Commission has been the regulator for registered organisations since 6 March 2023. All references to the Registered Organisations Commission and Commissioner of the Registered Organisations Commission must be changed to the Fair Work Commission and General Manager of the Fair Work Commission.

I note that item (c)(iii) of the operating report, item (v) of the committee of management statement and Note 27 refer to the Commissioner instead of the General Manager of the Fair Work Commission. In the future years, please update these references accordingly.

**Reporting Requirements**

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

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

If you have any queries regarding this letter, please call 1300 341 665 or email [regorgs@fwc.gov.au](mailto:regorgs@fwc.gov.au).

Yours sincerely

**Kylie Ngo**  
**Fair Work Commission**



**CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER  
For the Financial Year Ended 30 June 2023**

I, Anthony Tassone, President of the Victorian Branch of the Pharmacy Guild of Australia, certify that:

1. The documents lodged herewith are copies of the auditor's report, the accounts and statements and Operating Report and the Committee of Management Report for the Pharmacy Guild of Australia, Victoria Branch for the financial year ended 30 June 2023 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
2. The auditor's report, the accounts and statements and the Operating Report and the Committee of Management Report in respect of the financial year ended 30 June 2023 were made available to members free of charge on 19 September 2023; and
3. The full report was presented at the Annual General Meeting of the Pharmacy Guild of Australia, Victoria Branch on 11<sup>th</sup> October 2023 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

\_\_\_\_\_  
President  
The Pharmacy Guild of Australia, Victoria

Date: 11/10/2023

**Victoria**

'Guild House' Level 2, 40 Burwood Road Hawthorn VIC 3122

telephone: + 61 3 9810 9999 · facsimile: + 61 3 9819 2542

e-mail: [info@vic.guild.org.au](mailto:info@vic.guild.org.au) · internet: [www.guild.org.au/vic](http://www.guild.org.au/vic)

# Pharmacy Guild of Australia, Victoria

ABN: 35 603 508 734


## Consolidated Financial Report

For the year ended 30 June 2023

***Pitcher Partners***

Level 13, 664 Collins Street, Docklands VIC 3008

***p:*** +61 3 8610 5000



## Contents

|  |           |
|--|-----------|
| <b>Operating report.....</b>                           | <b>1</b>  |
| <b>Auditor's independence declaration .....</b>        | <b>3</b>  |
| <b>Statement of comprehensive income.....</b>          | <b>4</b>  |
| <b>Statement of financial position.....</b>            | <b>6</b>  |
| <b>Statement of changes in equity .....</b>            | <b>7</b>  |
| <b>Statement of cash flows.....</b>                    | <b>8</b>  |
| <b>Notes to the financial statement .....</b>          | <b>9</b>  |
| <b>Report required under Subsection 255 (2a) .....</b> | <b>52</b> |
| <b>Committee of management statement .....</b>         | <b>53</b> |
| <b>Officer declaration.....</b>                        | <b>54</b> |
| <b>Independent auditor's report .....</b>              | <b>55</b> |



## Operating report

*For the year ended 30 June 2023*

---

We, being the designated officers responsible for preparing this report for the financial year ended 30 June 2023 of The Pharmacy Guild of Australia, Victoria, report as follows:

### **(a) Review of principal activities**

- (i) The Pharmacy Guild of Australia, Victoria is an employers' organization servicing the needs of proprietors of independent community pharmacies and representing their interests in industrial matters.
- (ii) The Pharmacy Guild of Australia, Victoria has continued to assist the National Council and the National Executive of The Pharmacy Guild of Australia ("the Guild") in carrying out the overall policy and objectives of the Guild.
- (iii) Included in the Annual Report are the various reports compiled by The Pharmacy Guild of Australia, Victoria Branch President, Directors and Officers outlining the activities for the year. There were no significant changes in the nature of these activities during the year under review.

### **(b) Significant changes in financial Affairs**

There have been no significant changes in the financial affairs of the Pharmacy Guild of Australia, Victoria during the year.

### **(c) Members advice**

- (i) Under Section 174 of the Fair Work (Registered Organisations) Act 2009 and Rule 36 of the Constitution of the Guild, a member may resign from membership by written notice addressed and delivered to the Branch Director;
- (ii) The register of members of the organisation was maintained in accordance with the Fair Work (Registered Organisations) Act 2009; and
- (iii) Section 272 of the Fair Work (Registered Organisations) Act 2009 outlines members and the Commissioner of the Registered Organisations Commission's rights to certain prescribed information. This information is detailed in Note 5 of the financial statements.

### **(d) Officers & employees who are superannuation fund trustee(s) or director of a company that is a superannuation fund trustee**

During the reporting period, none of the members of the Branch Committee was a Director of Guild Trustee Services Pty Limited, the Trustee of the Guild Retirement Fund, which includes Guild Super and Guild Pension.

### **(e) Number of members**

As at 30 June 2023 the number of members of The Pharmacy Guild of Australia, Victoria was 923 including Honorary Life & 50 Year Life Members.

### **(f) Number of employees**

As at 30 June 2023 the number of equivalent full-time employees of The Pharmacy Guild of Australia, Victoria was 23.

**Operating report (continued)****For the year ended 30 June 2023**

---

**(g) Names of Committee of Management members and period positions held during the financial year**

During the reporting period, the following persons were members of the Branch Committee for the whole year unless otherwise stated:

|                   |                          |
|-------------------|--------------------------|
| Mr. A. Tassone    | Branch President         |
| Ms. G. Chong      | Vice President – Finance |
| Mr. P. Krassar    | Vice President           |
| Ms. M. Tsitonakis | Vice President           |
| Mr. A. Pricolo    | Branch Committee         |
| Mr. K. Chong      | Branch Committee         |
| Mr. B. Robertson  | Branch Committee         |
| Ms. C. Streeter   | Branch Committee         |
| Mr. S. Wilkes     | Branch Committee         |
| Ms. M. Kazantzis  | Branch Committee         |
| Mr. B. Green      | Branch Committee         |
| Mr. S. E. Ahmad   | Branch Committee         |

**(h) Insurance of Officers**

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




---

**ANTHONY TASSONE**  
Branch President




---

**GRACE CHONG**  
Vice President - Finance

19 September 2023

PHARMACY GUILD OF AUSTRALIA, VICTORIA

ABN: 35 603 508 734

AUDITOR'S INDEPENDENCE DECLARATION  
TO THE COMMITTEE OF MANAGEMENT OF THE PHARMACY GUILD OF AUSTRALIA, VICTORIA

In relation to the independent audit for the year ended 30 June 2023, to the best of my knowledge and belief there have been no contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

This declaration is in respect of The Pharmacy Guild of Australia, Victoria and the entities it controlled during the year.



K L BYRNE  
Partner

19 September 2023



PITCHER PARTNERS  
Melbourne



**Statement of Comprehensive Income**  
**For the year ended 30 June 2023**

|   | Note | Consolidated       |                  | Parent           |                  |
|---|------|--------------------|------------------|------------------|------------------|
|   |      | 2023               | 2022             | 2023             | 2022             |
|   |      | \$                 | \$               | \$               | \$               |
| <b>INCOME</b>   |      |                    |                  |                  |                  |
| Revenue   | 4(a) | 4,968,229          | 4,391,320        | 4,704,329        | 3,658,499        |
| (Loss)/Gain on divestment of investment   | 4(b) | (3,881)            | 75,067           | -                | -                |
| Unrealised gain/(loss) from Financial Assets at fair value through profit or loss | 4(c) | 272,220            | (436,875)        | -                | -                |
| Other Income  | 4(d) | 188,756            | 134,657          | 157,327          | 141,092          |
|   |      | <u>5,425,324</u>   | <u>4,164,169</u> | <u>4,861,656</u> | <u>3,799,591</u> |
| <b>PROJECT PAYMENTS AND OTHER EXPENSES</b>  |      |                    |                  |                  |                  |
| Administration  |      | 330,229            | 414,709          | 604,119          | 645,119          |
| Management fees   |      | 3,000              | 3,000            | -                | -                |
| Building outgoings  |      | 308,875            | 310,317          | 112,076          | 105,140          |
| Committee fees and allowances   | 5    | 3,720              | 4,200            | 3,720            | 4,200            |
| Depreciation  |      | 40,430             | 55,206           | 40,430           | 55,206           |
| Employee benefit expenses   | 5    | 2,640,042          | 2,611,701        | 2,640,042        | 2,611,701        |
| Legal and professional fees   |      | 319,648            | 203,855          | 189,607          | 109,858          |
| Membership contributions to National Council                                      | 5    | 1,063,067          | 845,419          | 1,063,067        | 845,419          |
| Expected credit loss  |      | 4,000              | 2,000            | ( 36,612)        | 5,817            |
| Public relations  |      | 14,668             | 24,778           | 14,668           | 19,181           |
| Travelling expenses   |      | 77,912             | 65,841           | 77,912           | 65,841           |
| Loss on revaluation of investment property  | 5    | -                  | 529,321          | -                | -                |
|   |      | <u>4,805,591</u>   | <u>5,070,347</u> | <u>4,709,029</u> | <u>4,467,482</u> |
| Share of (loss)/profit from associate   | 13   | (2,477,685)        | 93,450           | -                | -                |
| <b>(LOSS)/PROFIT BEFORE INCOME TAX</b>  |      | <u>(1,857,952)</u> | <u>(812,728)</u> | <u>152,627</u>   | <u>(667,891)</u> |
| Income tax expense  |      | -                  | -                | -                | -                |
| <b>(LOSS)/PROFIT FOR THE YEAR</b>   |      | <u>(1,857,952)</u> | <u>(812,728)</u> | <u>152,627</u>   | <u>(667,891)</u> |
| <b>OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR</b>                             |      | <u>(1,857,952)</u> | <u>(812,728)</u> | <u>152,627</u>   | <u>(667,891)</u> |
| <b>TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR</b>                             |      | <u>(1,857,952)</u> | <u>(812,728)</u> | <u>152,627</u>   | <u>(667,891)</u> |

The accompanying notes form part of these financial statements

**Statement of Comprehensive Income (continued)****For the year ended 30 June 2023**

|   | <i>Consolidated</i> |                  | <i>Parent</i>  |                  |
|---|---------------------|------------------|----------------|------------------|
|   | <i>2023</i>         | <i>2022</i>      | <i>2023</i>    | <i>2022</i>      |
|   | \$                  | \$               | \$             | \$               |
| <b>(Loss)/Profit attributable to:</b>                     |                     |                  |                |                  |
| Members of the parent entity                              | (1,857,952)         | (812,728)        | 152,627        | (667,891)        |
|   | <b>(1,857,952)</b>  | <b>(812,728)</b> | <b>152,627</b> | <b>(667,891)</b> |
| <b>Other comprehensive income attributable to:</b>        |                     |                  |                |                  |
| Members of the parent entity                              | -                   | -                | -              | -                |
|   | -                   | -                | -              | -                |
| <b>Total comprehensive (loss)/income attributable to:</b> |                     |                  |                |                  |
| Members of the parent entity                              | (1,857,952)         | (812,728)        | 152,627        | (667,891)        |
|   | <b>(1,857,952)</b>  | <b>(812,728)</b> | <b>152,627</b> | <b>(667,891)</b> |

The accompanying notes form part of these financial statements

## Statement of Financial Position

As at 30 June 2023

|   | Note | Consolidated      |                   | Parent            |                   |
|---|------|-------------------|-------------------|-------------------|-------------------|
|   |      | 2023              | 2022              | 2023              | 2022              |
|   |      | \$                | \$                | \$                | \$                |
| <b>CURRENT ASSETS</b>   |      |                   |                   |                   |                   |
| Cash and cash equivalents   | 6    | 2,281,882         | 2,104,793         | 439,628           | 618,034           |
| Trade and other receivables   | 7    | 140,492           | 107,197           | 126,445           | 80,577            |
| Other assets  | 8    | 257,609           | 190,638           | 78,268            | 70,160            |
|   |      | <u>2,679,983</u>  | <u>2,402,628</u>  | <u>644,341</u>    | <u>768,771</u>    |
| Financial Assets at fair value through profit or loss                   | 9    | 3,283,818         | 3,126,990         | -                 | -                 |
| <b>TOTAL CURRENT ASSETS</b>   |      | <b>5,963,801</b>  | <b>5,529,618</b>  | <b>644,341</b>    | <b>768,771</b>    |
| <b>NON-CURRENT ASSETS</b>   |      |                   |                   |                   |                   |
| Investment in subsidiary  |      | -                 | -                 | 175,002           | 175,002           |
| Property, plant and equipment   | 10   | 62,096            | 38,520            | 62,096            | 38,520            |
| Assets under construction   |      | -                 | -                 | -                 | -                 |
| Right- of-use assets  | 11   | 8,974             | 25,289            | 8,974             | 25,289            |
| Investment property   | 12   | 13,581,537        | 13,500,000        | -                 | -                 |
| Investment in Associate   | 13   | 1,453,847         | 3,931,532         | -                 | -                 |
| Investment in The Guild Properties (Vic) Unit Trust                     |      | -                 | -                 | 8,852,714         | 8,852,714         |
| Loan to Associate   | 14   | 2,100,000         | 2,100,000         | -                 | -                 |
| Present entitlement receivable from The Guild (Vic) Computer Unit Trust | 19   | -                 | -                 | 4,184,990         | 4,784,990         |
| The Guild Properties (Vic) Unit Trust                                   | 19   | -                 | -                 | 787,768           | 708,154           |
| <b>TOTAL NON-CURRENT ASSETS</b>   |      | <b>17,206,454</b> | <b>19,595,341</b> | <b>14,071,544</b> | <b>14,584,669</b> |
| <b>TOTAL ASSETS</b>   |      | <b>23,170,255</b> | <b>25,124,959</b> | <b>14,715,885</b> | <b>15,353,440</b> |
| <b>CURRENT LIABILITIES</b>  |      |                   |                   |                   |                   |
| Trade and other payables  | 15   | 1,386,793         | 1,463,653         | 1,268,033         | 2,007,935         |
| Lease Liability   | 11   | 4,662             | 18,987            | 4,662             | 18,987            |
| Employee benefit provisions   | 16   | 288,565           | 308,946           | 288,565           | 308,946           |
| <b>TOTAL CURRENT LIABILITIES</b>  |      | <b>1,680,020</b>  | <b>1,791,586</b>  | <b>1,561,260</b>  | <b>2,335,868</b>  |
| <b>NON-CURRENT LIABILITIES</b>  |      |                   |                   |                   |                   |
| Security deposit held in trust  | 15   | 81,812            | 52,167            | -                 | -                 |
| Interest held in trust  | 15   | 2,887             | 2,144             | -                 | -                 |
| Lease Liabilities   | 11   | 4,510             | 6,790             | 4,510             | 6,790             |
| Employee benefit provisions   | 16   | 17,076            | 30,370            | 17,076            | 30,370            |
| <b>TOTAL NON-CURRENT LIABILITIES</b>                                    |      | <b>106,285</b>    | <b>91,471</b>     | <b>21,586</b>     | <b>37,160</b>     |
| <b>TOTAL LIABILITIES</b>  |      | <b>1,786,305</b>  | <b>1,883,057</b>  | <b>1,582,846</b>  | <b>2,373,028</b>  |
| <b>NET ASSETS</b>   |      | <b>21,383,950</b> | <b>23,241,902</b> | <b>13,133,039</b> | <b>12,980,412</b> |
| <b>EQUITY</b>   |      |                   |                   |                   |                   |
| Accumulated funds   |      | 15,490,844        | 17,348,796        | 9,348,959         | 9,196,332         |
| Reserves  | 17   | 5,893,106         | 5,893,106         | 3,784,080         | 3,784,080         |
| <b>TOTAL EQUITY</b>   |      | <b>21,383,950</b> | <b>23,241,902</b> | <b>13,133,039</b> | <b>12,980,412</b> |

The accompanying notes form part of these financial statements

**Statement of Changes in Equity**  
**For the year ended 30 June 2023**

|                            | <i>Reserves<br/>(Notes 17)</i>  | <i>Accumulated<br/>funds</i> | <i>Total</i>      |
|----------------------------|---------------------------------|------------------------------|-------------------|
|                            | \$                              | \$                           | \$                |
| <b>CONSOLIDATED</b>        |                                 |                              |                   |
| <b>At 1 July 2021</b>      | 5,893,106                       | 18,161,524                   | 24,054,630        |
| Loss for the year          | -                               | (812,728)                    | (812,728)         |
| Other comprehensive income | -                               | -                            | -                 |
| <b>At 30 June 2022</b>     | <u>5,893,106</u>                | <u>17,348,796</u>            | <u>23,241,902</u> |
| Loss for the year          | -                               | (1,857,952)                  | (1,857,952)       |
| Other comprehensive income | -                               | -                            | -                 |
| <b>At 30 June 2023</b>     | <u>5,893,106</u>                | <u>15,490,844</u>            | <u>21,383,950</u> |
|                            |                                 |                              |                   |
|                            | <i>Revaluation<br/>reserves</i> | <i>Accumulated<br/>funds</i> | <i>Total</i>      |
|                            | \$                              | \$                           | \$                |
| <b>PARENT</b>              |                                 |                              |                   |
| <b>At 1 July 2021</b>      | 3,784,080                       | 9,864,223                    | 13,648,303        |
| Loss for the year          | -                               | (667,891)                    | (667,891)         |
| Other comprehensive income | -                               | -                            | -                 |
| <b>At 30 June 2022</b>     | <u>3,784,080</u>                | <u>9,196,332</u>             | <u>12,980,412</u> |
| Profit for the year        | -                               | 152,627                      | 152,627           |
| Other comprehensive income | -                               | -                            | -                 |
| <b>At 30 June 2023</b>     | <u>3,784,080</u>                | <u>9,348,959</u>             | <u>13,133,039</u> |

The Pharmacy Guild of Australia, Victoria does not operate a fund for voluntary levies or voluntary contributions. Consequently, The Pharmacy Guild of Australia, Victoria has not invested any voluntary funds in any years.

**Statement of Cash Flows**  
**For the year ended 30 June 2023**

|  | Note      | Consolidated |             | Parent      |             |
|--|-----------|--------------|-------------|-------------|-------------|
|  |           | 2023         | 2022        | 2023        | 2022        |
|  |           | \$           | \$          | \$          | \$          |
| <b>OPERATING ACTIVITIES</b>                                |           |              |             |             |             |
| Receipts in the course of operations:                      |           |              |             |             |             |
| - reporting units and/or controlled entity                 | 19(d)(i)  | 1,107,287    | 947,335     | 1,102,259   | 1,017,708   |
| - members and customers                                    |           | 3,802,221    | 3,775,338   | 3,223,675   | 2,979,778   |
| Payments in the course of operations:                      |           |              |             |             |             |
| - reporting units and/or controlled entity                 | 19(d)(ii) | (1,337,226)  | (1,086,173) | (1,673,001) | (1,401,760) |
| - suppliers  |           | (843,932)    | (962,629)   | (509,124)   | (519,212)   |
| - employees  |           | (2,475,184)  | (2,554,530) | (2,475,185) | (2,554,532) |
| Interest received  |           | 182,715      | 83,318      | 7,826       | 780         |
| Payroll Tax Paid   |           | (80,027)     | (229,147)   | (80,027)    | (229,147)   |
| Fringe Benefit Tax paid                                    |           | (33,242)     | (54,036)    | (33,242)    | (54,036)    |
| Mental Health Surcharge paid                               |           | (47,403)     | (1,787)     | (47,403)    | (1,787)     |
| Net GST paid to Australian Taxation Office                 |           | (252,097)    | (198,197)   | (192,158)   | (140,962)   |
| <b>Net cash flows /(used in) from operating activities</b> | 18        | 23,112       | (280,508)   | (676,380)   | (903,170)   |
| <b>INVESTING ACTIVITIES</b>                                |           |              |             |             |             |
| Distribution from related parties                          |           | -            | -           | 535,000     | 850,000     |
| Loan to Associate  |           | -            | (490,000)   | -           | -           |
| Purchase of plant and equipment                            | 10        | (44,313)     | (22,702)    | (44,313)    | (22,702)    |
| Proceeds on sale of plant and equipment                    |           | 27,727       | 13,636      | 27,727      | 13,636      |
| Proceeds on sale of investment                             |           | 111,511      | 336,460     | -           | -           |
| Additions to investment property                           | 12        | (81,537)     | (29,321)    | -           | -           |
| Purchase of financial assets investments                   |           | -            | (104,025)   | -           | -           |
| Dividends received from investment in equities             |           | 161,029      | 123,165     | -           | -           |
| <b>Net cash flows /(used in) from investing activities</b> |           | 174,417      | (172,787)   | 518,414     | 840,934     |
| <b>FINANCING ACTIVITIES</b>                                |           |              |             |             |             |
| Lease Interest paid  |           | (457)        | (789)       | (457)       | (789)       |
| Payment of Lease principal                                 |           | (19,983)     | (20,105)    | (19,983)    | (20,105)    |
| <b>Net cash flows used in financing activities</b>         |           | (20,440)     | (20,894)    | (20,440)    | (20,894)    |
| Net increase/(decrease)in cash and cash equivalents        |           | 177,089      | (474,189)   | (178,406)   | (83,130)    |
| Cash and cash equivalents at beginning of the year         |           | 2,104,793    | 2,578,982   | 618,034     | 701,164     |
| <b>Cash and cash equivalents at end of the year</b>        | 6         | 2,281,882    | 2,104,793   | 439,628     | 618,034     |

**NOTE 1 CORPORATE INFORMATION**

The Pharmacy Guild of Australia, Victoria is the Victorian branch of an employers' organisation (the 'Branch' or 'Organisation') which is registered in Australia under the Fair Work (Registered Organisations) Act 2009.

The registered office and principal place of business of the Branch is 40 Burwood Road, Hawthorn VIC 3122.

The principal activities of the Organisation are to deliver a range of leading professional services which enable members to run a profitable business while servicing the health care needs of their community. These financial statements and notes represent those of The Pharmacy Guild of Australia, Victoria and Controlled Entities (the "Consolidated Group" or "Group").

The financial report was authorised for issue on 19 September 2023 by the Branch Executive of the Group.

**NOTE 2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

**2.1 Basis of preparation of the financial report**

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

The financial report covers The Pharmacy Guild of Australia, Victoria (the 'Branch') as an individual entity and its controlled entities (the 'Group'). The Pharmacy Guild of Australia, Victoria is a not-for-profit entity for the purpose of preparing the general purpose financial statements.

The following are the significant accounting policies adopted by the group in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

*Compliance with IFRS*

The financial report also complies with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

*Historical Cost Convention*

The financial report has been prepared on an accrual basis and in accordance with the historical cost convention, as modified by revaluations to fair value for certain classes of assets and liabilities as described in the accounting policies. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

The financial report is presented in Australian dollars and all values are rounded to the nearest dollar (\$), except when otherwise indicated.

**NOTE 2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**2.2 Accounting Standards issued but not yet effective**

***AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current***

This Standard amends AASB 101 *Presentation of Financial Statements* to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. For example, the amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. This Standard applies to annual reporting periods beginning on or after 1 January 2024 (as amended by AASB 2022-6 and AASB 2020-6) and will first be applied by the Group in the financial year commencing 1 July 2024. Earlier application is permitted.

The Group does not adopt this amendment earlier than the application date and does not expect the adoption to have an impact on its financial statements.

**2.3 Basis of consolidation**

The financial statements incorporate the assets, liabilities and results of entities controlled by The Pharmacy Guild of Australia, Victoria at the reporting date. A controlled entity is any entity over which The Pharmacy Guild of Australia, Victoria has the power to govern the financial and operating policies so as to obtain benefits from its activities. Control will generally exist when the parent owns, directly or indirectly through entities, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are also considered.

A list of controlled entities is contained in Note 21 to the financial statements.

In preparing the financial statements, all inter-group balances and transactions between entities in the consolidated group have been eliminated in full on consolidation. Accounting policies of related entities have been changed where necessary to ensure consistency with those adopted by the parent entity.

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are shown separately within the equity section of the statement of financial position and statement of comprehensive income. The non-controlling interest's interest in the net assets comprises their interests at the date of the original business combination and their share of changes in equity since that date.

**Notes to the Financial Statement (continued)****For the year ended 30 June 2023**

---

**NOTE 2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.4 Current versus non-current classification**

The Group 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 Group's 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.

The Group classifies all other liabilities as non-current.

**2.5 Revenue**

The Branch enters into various arrangements where it receives consideration from another party. These arrangements include consideration in the form of membership subscriptions, student fees, charges and project funding. The timing of recognition of these amounts as either revenue or income depends on the rights and obligations in those arrangements.

**Revenue from contract with customers**

Where the Branch has a contract with a customer, the Branch recognises revenue when or as it transfers controls of goods or services to the customer. The Branch accounts for an arrangement as a contract with a customer if the following criteria are met:

- The arrangement is enforceable; and
- The arrangement contains promises (that are also known as performance obligations) to transfer goods or services to the customer (or other parties on behalf of the customer) that are sufficiently specific so that it can be determined when the performance obligation has been satisfied.



**Notes to the Financial Statement (continued)****For the year ended 30 June 2023**

---

**NOTE 2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.5 Revenue (continued)****(a) Membership subscriptions**

For membership subscription arrangements that meet the criteria to be contracts with customer revenue is recognised when the promised goods or services transfer to the customer as a member of the Guild.

The Guild recognises revenue as the membership service is provided, which is typically based on the passage of time over the subscription period to reflect the Guild's promise to stand ready to provide assistance and support to the member as required.

If there is more than one distinct good or service promised in the membership subscription, the Branch allocates the transaction price to each performance obligation based on the relative standalone selling price of each promised good or service. In performing this allocation, standalone selling prices are estimated if there is no observable evidence of the price that charges for that good or service in a standalone sale. When a performance obligation is satisfied, which is either when the customer obtains control of the good (for example, workbooks) or as the service transfers to the customer (for example, member services or training course), the Branch recognises revenue at the amount of the transaction price that was allocated to that performance obligation.

For member subscriptions paid annually in advance, the Branch has elected to apply the practical expedient to not adjust the transaction price for the effects of a significant financing component because the period from when the customer pays and the good or services will transfer to the customer will be one year or less.

When a member subsequently purchases additional goods or services from the Branch at the standalone selling price, the Branch accounts for those sales as a separate contract with a customer.

**(b) Training income**

Training income for Fees for Services is recognised on nominal hours completed per student. Other short courses fees are recognised when training services have been provided.

**(c) Interest income**

Interest income is recognised on an accrual basis and is recorded using the actual interest rate.

**(d) Dividend income**

Dividend income is recognised when the right to receive a dividend has been established.

**Notes to the Financial Statement (continued)****For the year ended 30 June 2023**

---

**NOTE 2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.5 Revenue (continued)****(e) Government grants**

Government grants are not recognised until there is reasonable assurance that the Branch will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in the income statement on a systematic basis over the periods in which the Branch recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary conditions is that the Branch should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the statement of financial position and transferred to the income statement on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Branch with no future related costs are recognised in the income statement in the period in which they become receivable.

**(f) Receivables for good and services**

Receivables for goods and services, which have 30-day terms, are recognised at the nominal amounts due less any impairment allowance. Collectability of debts is reviewed at the end of the reporting period.

**(g) Rental income**

Leases in which the Guild as a lessor, does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income from leasing of office space is recognised on a straight-line basis over the terms of the relevant leases.

**(h) Gains from sale of assets**

An item of property, plant and equipment is derecognised upon disposal (which is at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income when the asset is derecognised.

**(i) Capitation fees and levies**

Capitation fees and levies are recognised on an accrual basis and recorded as a revenue and/or expense in the year to which it relates.

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

**Notes to the Financial Statement (continued)****For the year ended 30 June 2023**

---

**NOTE 2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.6 Investment in subsidiary**

Investments in subsidiaries held by the Branch are accounted for at cost less any impairment charges. Dividends received from subsidiaries are recorded as a component of other income, and do not impact the recorded cost of the investment. Upon receipt of dividend payments from subsidiaries, the parent will assess whether any indicators of impairment of the carrying value of the investment in the subsidiary exist. Where such indicators exist, to the extent that the carrying value of the investment exceeds its recoverable amount, an impairment loss is recognised.

**2.7 Income tax**

The Pharmacy Guild of Australia, Victoria is exempt from income tax under Section 50-15 of the *Income Tax Assessment Act 1936*.

**2.8 Goods and services tax (GST)**

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

- When the GST incurred on a sale or purchase of assets or services is not payable to or recoverable from the taxation authority, in which case the GST is recognised as part of the revenue or the expense item or as part of the cost of acquisition of the asset, as applicable.
- When receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

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

**2.9 Cash and cash equivalents**

Cash and cash equivalents include cash on hand, deposits held at-call with banks and other short-term highly liquid investments with maturities of three months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

**2.10 Trade and other receivables**

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment.

**Notes to the Financial Statement (continued)****For the year ended 30 June 2023****NOTE 2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.11 Property, plant and equipment**

Each class of property, plant and equipment is carried at cost or fair values as indicated less, where applicable, any accumulated depreciation and impairment losses. Such cost includes the cost of replacing part of the property, plant and equipment if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. All other repair and maintenance costs are recognised in profit or loss as incurred.

**Depreciation**

The depreciable amount of all plant and equipment (excluding freehold land building), is depreciated on a straight-line basis over the asset's useful life to the Group commencing from the time the asset is held ready for use. Depreciation is recognised in profit or loss.

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

| <u>Class of plant and equipment</u> | <u>Useful life</u> |
|-------------------------------------|--------------------|
| Plant and equipment                 | 3 to 15 years      |
| Motor vehicles                      | 3 to 6 years       |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and loss on disposals are determined by comparing proceeds with the carrying amount. These gains or loss are included in profit or loss.

**2.12 Investment property**

Investment property represents the land and building located at 40 Burwood Road, Hawthorn which is held to generate long term rental yields.

Investment property is measured initially at cost, including transaction costs. Subsequently to initial recognition investment property is stated at fair value, which is based on active market prices as well as an annual valuation either by an external independent valuer or director's valuation. The independent valuation is based on a notional net rental on an "in use" basis for this location. Gain or loss arising from a change in fair value of the investment property is recognised in the profit or loss in the period which it arises.

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 proceed sand the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

**Notes to the Financial Statement (continued)****For the year ended 30 June 2023****NOTE 2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.13 Investment in associates**

Associate companies are companies in which the Group has significant influence through holding, directly or indirectly, 20% or more of the voting power of the company and that is neither a 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 is not control or joint control over those policies.

Investments in associates are accounted for in the financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Group's share of net assets of the associate company. In addition, the Group's share of the profit or loss of the associate company is included in the Group's profit or loss.

Profits and losses resulting from transactions between the Group and the associates are eliminated to the extent they relate to the Group's investment in the associates.

When the Group's share of losses in an associate equal or exceeds its interest in the associate, the Group discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. Upon the associate subsequently making profits, the Group will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised.

Details of the Group's investments in associates are shown at Note 13.

**2.14 Impairment of assets**

At the end of each reporting period, The Pharmacy Guild of Australia, Victoria assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to dispose and value in use to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss.

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

**2.15 Leases**

The Branch assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

*Branch as a lessee*

The Branch applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Branch recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

**Notes to the Financial Statement (continued)****For the year ended 30 June 2023****NOTE 2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.15 Leases (continued)***Right-of-use assets*

The Branch recognises right-of-use assets at the commencement date of the leases (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of these liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct cost incurred, and lease payment made at or before the commencement date less any lease incentives received. 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            |
|------------------------------------|-----------------|-----------------|
| Right-of-use Asset – Motor vehicle | 20 to 24 months | 20 to 24 months |
| Plant and equipment                | 36 to 60 months | 36 to 60 months |

If ownership of the leased asset transfers to the Branch at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

*Lease liabilities*

At the commencement date of the lease, the Branch recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Branch exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Branch uses the implicit interest rate or incremental borrowing rate if the implicit lease rate is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

*Short-term leases and leases of low-value assets*

Lease payments made in relation to leases of 12 months or less and leases of low-value assets (for which a lease asset and a lease liability has not been recognised) are recognised as expense on a straight-line basis over the lease term.

**Notes to the Financial Statement (continued)****For the year ended 30 June 2023****NOTE 2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.16 Trade and other payables**

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by The Pharmacy Guild of Australia, Victoria during the reporting period which remains unpaid.

The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

**2.17 Unearned and deferred revenue**

Deferred revenue relates to revenue invoiced, and received, in advance for membership fees and training revenue which are unearned at year end and are presented as liabilities.

Unearned revenue relates to revenue invoiced in advance, but not received, which are unearned at year end and are presented as liabilities.

**2.18 Provisions and employee benefit**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss and other comprehensive income net of any reimbursement.

*Employee benefits*

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leaves and termination benefits when it is probable that settlement will be required, and they are capable of being measured reliably.

Liabilities for short-term employee benefits (as defined in AASB 119 *Employee Benefits*) and termination benefits which are expected to be settled within twelve months of the end of the reporting period are measured at their nominal amounts.

The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits which are expected to be settled beyond twelve months are measured as the present value of the estimated future cash outflows to be made by the Branch in respect of services provided by employees up to reporting date.

**Notes to the Financial Statement (continued)****For the year ended 30 June 2023**

---

**NOTE 2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.18 Provisions and employee benefit (continued)***Long service leaves and annual leave*

The Group does not expect its long service leave or annual leave benefits to be settled wholly within 12 months of each reporting date. The Group recognises a liability for long service leave and annual leave measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service.

Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

**2.19 Financial instruments***Initial recognition and measurement*

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Group commits itself to either purchase or sell the asset (i.e., trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss" in which case transaction costs are expensed to the statement of profit or loss and other comprehensive income immediately.

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

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

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



**Notes to the Financial Statement (continued)****For the year ended 30 June 2023**

---

**NOTE 2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.19 Financial instruments (continued)***Classification and subsequent measurement*

Financial instruments are subsequently measured and classified in five categories:

- (i) financial assets at amortised cost;
- (ii) financial assets at fair value through other comprehensive income;
- (iii) financial assets at fair value through profit or loss;
- (iv) financial assets designated at fair value through profit or loss;
- (v) investments in equity instruments designated at fair value through other comprehensive income.

Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

Fair value is determined based on current bid prices for all quoted investments.

*Financial assets at amortised cost*

The Branch measures financial assets at amortised cost if both of the following conditions are met:

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

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

The Branch's financial assets at amortised cost includes trade receivables and loans to related parties.

*Financial assets at fair value through profit or loss*

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

**Notes to the Financial Statement (continued)****For the year ended 30 June 2023****NOTE 2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.19 Financial instruments (continued)**

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

*Impairment - Trade Receivables*

Receivables that do not have a significant financing component, the Branch applies a simplified approach in calculating expected credit losses (ECLs) which requires lifetime expected credit losses to be recognised from initial recognition of the receivables.

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

*Debt instruments other than trade receivables*

For all debt instruments other than trade receivables and debt instruments not held at fair value through profit or loss, the Branch recognises an allowance for expected credit losses using the general approach. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Branch expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages:

- Where there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses from possible default events within the next 12-months (a 12-month ECL).
- Where there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the debt, irrespective of the timing of the default (a lifetime ECL).

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

**2.20 Contingent liabilities and contingent assets**

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which the amount cannot be reliably measured.

**Notes to the Financial Statement (continued)****For the year ended 30 June 2023****NOTE 2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.20 Contingent liabilities and contingent assets (continued)**

Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

**2.21 Comparative figures**

Where required by Australian Accounting Standards comparative figures have been adjusted to conform to changes in presentation for the current financial year.

**2.22 Fair value measurement**

The Group measures non-financial assets, such as investment properties and financial assets such as Australian listed equities, global listed equities and interest-bearing securities, at fair value at each reporting date.

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 to by the Group.

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

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

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

**Notes to the Financial Statement (continued)****For the year ended 30 June 2023****NOTE 2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.22 Fair value measurement (continued)**

The Group determines the policies and procedures for recurring fair value measurement, such as investment properties and financial assets.

External valuers are involved for valuation of significant assets, such as investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The critical assumptions adopted in determining the valuation included the location of the land and buildings, the current strong demand for land and buildings in the area and recent sales data for similar properties.

At each reporting date, the Group analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the Group verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

For the purpose of fair value disclosures, the Group 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 as explained above.

**2.23 Borrowing costs**

Borrowing costs include interest expenses calculated using the effective interest method and finance charges in respect of lease arrangements.

Borrowing costs are expensed as incurred. All borrowing costs are recognised in profit and loss in the period in which they are incurred.

**2.24 Going concern**

The Group is not reliant on the agreed financial support of another reporting unit to continue on a going concern basis.

**NOTE 3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Group's principal financial instruments comprises cash, financial assets, related party balances, trade and other receivables and trade and other payables.

The main risks arising from the Group's financial instruments are credit risk and liquidity risk.

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

The carrying amounts of the Group's financial instruments are reasonable approximations of fair values.

**Notes to the Financial Statement (continued)****For the year ended 30 June 2023****NOTE 3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)****(a) Interest rate risk**

The Group's interest rate risk is minimal. Cash and cash equivalents are being held in interest-bearing accounts.

|                           | <i>Consolidated</i> |             | <i>Parent</i> |             |
|---------------------------|---------------------|-------------|---------------|-------------|
|                           | <i>2023</i>         | <i>2022</i> | <i>2023</i>   | <i>2022</i> |
|                           | \$                  | \$          | \$            | \$          |
| Cash and cash equivalents | 2,281,882           | 2,104,793   | 439,628       | 618,034     |

**Sensitivity**

If interest rates were to increase/decrease by 100 basis points from the rates prevailing at the reporting date, assuming all other variables remain constant, then the impact of profit for the year and equity would be as follows:

|                            | <i>CONSOLIDATED</i> |             | <i>PARENT</i> |             |
|----------------------------|---------------------|-------------|---------------|-------------|
|                            | <i>2023</i>         | <i>2022</i> | <i>2023</i>   | <i>2022</i> |
|                            | \$                  | \$          | \$            | \$          |
| +1/- 100 basis points      |                     |             |               |             |
| Impact on profit after tax | 22,819              | 21,048      | 4,396         | 6,180       |

The movement in profit is due to higher/lower interest costs from variable rate cash balances. Significant assumptions used in the interest rate sensitivity analysis include:

- Reasonably possible movements in interest rates were determined based on the Group's relationship with financial institutions and economic forecaster's expectations.
- The net exposure at balance sheet date is representative of what the Group was and is expecting to be exposed to in the next twelve months from balance date.

**(b) Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Group's exposure to credit risk arises from the potential default of the counterparty, with maximum exposure equal to the carrying amount of these instruments. Credit risk is minimal.

Subscription receivable amounts are considered "past due" when the debt has not been settled with the terms and conditions agreed between the Group and the member or the counterparty to the transactions.

**Notes to the Financial Statement (continued)****For the year ended 30 June 2023****NOTE 3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)****(b) Credit risk (continued)**

Receivables that are past due are assessed for impairment by ascertaining their willingness to pay and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Group.

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

The Group does not have any material credit risk with respect of any single counterparty or group of counterparties under financial instruments entered into by the group.

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

**(c) Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The following table outlines the Group's remaining contractual maturities for non-derivative financial instruments. The amounts presented in the table are the undiscounted cash flows of the financial liabilities, allocated to time based on the earliest date on which the Group can be required to pay.

|                                | < 6 months | 6 - 12 months | 1 - 5 years | Total contractual cash flows | Carrying amount |
|--------------------------------|------------|---------------|-------------|------------------------------|-----------------|
|                                | \$         | \$            | \$          | \$                           | \$              |
| <b>CONSOLIDATED</b>            |            |               |             |                              |                 |
| <b>Year ended 30 June 2023</b> |            |               |             |                              |                 |
| Trade and other payables       | 507,272    | -             | -           | 507,272                      | 507,272         |
| Legal cost payable             | 7,216      | -             | -           | 7,216                        | 7,216           |
| Related party payables         | 99,364     | -             | -           | 99,364                       | 99,364          |
| Lease Liabilities              | 2,910      | 1,752         | 4,510       | 9,172                        | 9,172           |
| Net maturities                 | 616,762    | 1,752         | 4,510       | 623,024                      | 623,024         |
| <b>Year ended 30 June 2022</b> |            |               |             |                              |                 |
| Trade and other payables       | 382,169    | -             | -           | 382,169                      | 382,169         |
| Legal cost payable             | -          | -             | -           | -                            | -               |
| Related party payables         | 129,344    | -             | -           | 129,344                      | 129,344         |
| Lease Liabilities              | 10,234     | 8,753         | 6,790       | 25,777                       | 25,777          |
| Net maturities                 | 521,747    | 8,753         | 6,790       | 537,290                      | 537,290         |

## Notes to the Financial Statement (continued)

For the year ended 30 June 2023

## NOTE 3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

## (c) Liquidity risk (continued)

|                                | < 6 months       | 6 - 12 months | 1 - 5 years  | Total contractual cash flows | Carrying amount  |
|--------------------------------|------------------|---------------|--------------|------------------------------|------------------|
|                                | \$               | \$            | \$           | \$                           | \$               |
| <i>PARENT</i>                  |                  |               |              |                              |                  |
| <i>Year ended 30 June 2023</i> |                  |               |              |                              |                  |
| Trade and other payables       | 392,045          | -             | -            | 392,045                      | 392,045          |
| Legal cost payable             | -                | -             | -            | -                            | -                |
| Related party payables         | 109,702          | -             | -            | 109,702                      | 109,702          |
| Lease Liabilities              | 2,910            | 1,752         | 4,510        | 9,172                        | 9,172            |
| Net maturities                 | <u>504,657</u>   | <u>1,752</u>  | <u>4,510</u> | <u>510,919</u>               | <u>510,919</u>   |
| <i>Year ended 30 June 2022</i> |                  |               |              |                              |                  |
| Trade and other payables       | 321,820          | -             | -            | 321,820                      | 321,820          |
| Legal cost payable             | -                | -             | -            | -                            | -                |
| Related party payables         | 738,320          | -             | -            | 738,320                      | 738,320          |
| Lease Liabilities              | 10,234           | 8,753         | 6,790        | 25,777                       | 25,777           |
| Net maturities                 | <u>1,070,374</u> | <u>8,753</u>  | <u>6,790</u> | <u>1,085,917</u>             | <u>1,085,917</u> |

The Group manages this risk through the following mechanisms:

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

**Notes to the Financial Statement (continued)****For the year ended 30 June 2023****NOTE 3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)****(d) Fair value measurement**

The following table provides the fair value measurement hierarchy of the group's assets.

Quantitative disclosures fair value measurement hierarchy for assets as at 30 June 2023:

|   | <i>Date of valuation</i> | <i>Total</i> | Fair value measuring using                       |  |  |
|---|--------------------------|--------------|--|--|--|
|   |                          |              | <i>Quoted prices in active markets (Level 1)</i> | <i>Significant observable inputs (Level 2)</i> | <i>Significant unobservable inputs (Level 3)</i> |
|   |                          | <i>\$</i>    | <i>\$</i>  | <i>\$</i>                                      | <i>\$</i>  |
| <b>Assets measured at fair value:</b>                           |                          |              |  |  |  |
| <i>CONSOLIDATED</i>   |                          |              |  |  |  |
| Investment properties (Note 12)                                 | 30 June 2023             | 13,581,537   | -  | 13,581,537                                     | -  |
| Financial assets at fair value through profit and loss (Note 9) | 30 June 2023             | 3,283,818    | 3,283,818  | -  | -  |

**NOTE 4 REVENUE AND INCOME****Disaggregation of revenue from contracts with customers**

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

|  | <i>Consolidated</i> |                  | <i>Parent</i>    |                  |
|--|---------------------|------------------|------------------|------------------|
|  | <i>2023</i>         | <i>2022</i>      | <i>2023</i>      | <i>2022</i>      |
|  | <i>\$</i>           | <i>\$</i>        | <i>\$</i>        | <i>\$</i>        |
| <b>Disaggregation of revenue from contracts with customers</b> |                     |                  |                  |                  |
| <b>Type of customer</b>  |                     |                  |                  |                  |
| Members  | 2,128,249           | 2,115,122        | 2,128,249        | 2,115,122        |
| Other reporting units  | -                   | -                | -                | -                |
| Government   | 371,006             | 199,982          | 371,006          | 199,982          |
| Other parties  | 81,241              | 92,384           | 81,241           | 92,384           |
| <b>Total income for furthering activities</b>                  | <b>2,580,496</b>    | <b>2,407,488</b> | <b>2,580,496</b> | <b>2,407,488</b> |



## Notes to the Financial Statement (continued)

For the year ended 30 June 2023

## NOTE 4 REVENUE AND INCOME (continued)

|  | <i>Consolidated</i>     |                         | <i>Parent</i>           |                         |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
|  | <i>2023</i>             | <i>2022</i>             | <i>2023</i>             | <i>2022</i>             |
|  | \$                      | \$                      | \$                      | \$                      |
| <b>(a) Income</b>                                  |                         |                         |                         |                         |
| <b>Revenue</b>                                     |                         |                         |                         |                         |
| (i) Membership contribution received by the Branch | 2,128,249               | 2,115,122               | 2,128,249               | 2,115,122               |
| - Capitation fee                                   | -                       | -                       | -                       | -                       |
| - Levies   | -                       | -                       | -                       | -                       |
| - Interest   | -                       | -                       | -                       | -                       |
| - Rental revenue                                   | -                       | -                       | -                       | -                       |
| - Other revenue                                    | -                       | -                       | -                       | -                       |
|  | <u>2,128,249</u>        | <u>2,115,122</u>        | <u>2,128,249</u>        | <u>2,115,122</u>        |
| (ii) <b>Grants and/or donations</b>                |                         |                         |                         |                         |
| - Grants   | -                       | -                       | -                       | -                       |
| - Donations  | -                       | -                       | -                       | -                       |
|  | <u>-</u>                | <u>-</u>                | <u>-</u>                | <u>-</u>                |
| (iii) <b>Other Revenue</b>                         |                         |                         |                         |                         |
| Commission   | 151,913                 | 3,073                   | 151,913                 | 3,073                   |
| Interest   | 179,662                 | 79,336                  | 7,826                   | 780                     |
| Sundry Income                                      | 68,067                  | 37,675                  | 68,067                  | 37,675                  |
| Rental income Guild Properties                     | 718,229                 | 702,990                 | 11,550                  | 3,025                   |
| Distribution income from:                          |                         |                         |                         |                         |
| - The Guild Properties (Victoria) Unit Trust       | -                       | -                       | 614,615                 | 45,700                  |
| Training income                                    | 838,809                 | 697,644                 | 838,809                 | 697,644                 |
| Pharmacy Business Support Services                 | 883,300                 | 755,480                 | 883,300                 | 755,480                 |
|  | <u>2,839,980</u>        | <u>2,276,198</u>        | <u>2,576,080</u>        | <u>1,543,377</u>        |
|  | <u><b>4,968,229</b></u> | <u><b>4,391,320</b></u> | <u><b>4,704,329</b></u> | <u><b>3,658,499</b></u> |

**Notes to the Financial Statement (continued)****For the year ended 30 June 2023****NOTE 4 REVENUE AND INCOME (continued)**

|  | <i>Consolidated</i>     |                         | <i>Parent</i>           |                         |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
|  | <i>2023</i>             | <i>2022</i>             | <i>2023</i>             | <i>2022</i>             |
|  | <i>\$</i>               | <i>\$</i>               | <i>\$</i>               | <i>\$</i>               |
| (b) (Loss)/gain on divestment of investment  | (3,881)                 | 75,067                  | -                       | -                       |
| (c) Unrealised Fair Value (loss)/gain on Financial Asset at Fair Value through Profit and Loss | 272,220                 | (436,875)               | -                       | -                       |
| (d) <b>Other Income</b>  |                         |                         |                         |                         |
| Gain from sale of assets   | 27,727                  | 11,492                  | 27,727                  | 11,492                  |
| Distribution income from The Guild (Victoria) Computer Unit Trust                              | -                       | -                       | -                       | -                       |
| Management Fees  | -                       | -                       | 129,600                 | 129,600                 |
| Dividends Income   | 161,029                 | 123,165                 | -                       | -                       |
|  | <u>188,756</u>          | <u>134,657</u>          | <u>157,327</u>          | <u>141,092</u>          |
| <b>Total Income</b>  | <b><u>5,425,324</u></b> | <b><u>4,164,169</u></b> | <b><u>4,861,656</u></b> | <b><u>3,799,591</u></b> |

**NOTE 5 PROFIT FOR THE YEAR**

|  | <i>Consolidated</i> |                | <i>Parent</i>  |                |
|--|---------------------|----------------|----------------|----------------|
|  | <i>2023</i>         | <i>2022</i>    | <i>2023</i>    | <i>2022</i>    |
|  | <i>\$</i>           | <i>\$</i>      | <i>\$</i>      | <i>\$</i>      |
| Profit for the year has been determined after                              |                     |                |                |                |
| <i>Expenses</i>  |                     |                |                |                |
| (a) Capitation fee expense - membership contributions to National Council  | 1,063,067           | 845,419        | 1,063,067      | 845,419        |
| (b) Committee fees and allowances for attendance at meeting and conference | 3,720               | 4,200          | 3,720          | 4,200          |
| (c) <b>Employee benefit relating to "Holders of Office"</b>                |                     |                |                |                |
| - Wages  | 155,429             | 151,583        | 155,429        | 151,583        |
| - Superannuation   | 14,962              | 14,962         | 14,962         | 14,962         |
| - Leave and other entitlements   | -                   | -              | -              | -              |
| - Separation and redundancies  | -                   | -              | -              | -              |
|  | <u>170,391</u>      | <u>166,545</u> | <u>170,391</u> | <u>166,545</u> |

## Notes to the Financial Statement (continued)

For the year ended 30 June 2023

## NOTE 5 PROFIT FOR THE YEAR (continued)

|  | <i>Consolidated</i> |                  | <i>Parent</i>    |                  |
|--|---------------------|------------------|------------------|------------------|
|  | <i>2023</i>         | <i>2022</i>      | <i>2023</i>      | <i>2022</i>      |
|  | \$                  | \$               | \$               | \$               |
| <b>Employee benefit relating to "Other than Holders of Office"</b> |                     |                  |                  |                  |
| - Wages  | 1,714,460           | 1,793,376        | 1,714,460        | 1,793,376        |
| - Superannuation   | 242,902             | 252,609          | 242,902          | 252,609          |
| - Leave and other entitlements                                     | 234,607             | 172,764          | 234,607          | 172,764          |
| - Separation and redundancies                                      | 94,245              | 30,716           | 94,245           | 30,716           |
| - Other employee expense   | 183,437             | 195,691          | 183,437          | 195,691          |
| Total employee benefits  | 2,469,651           | 2,445,156        | 2,469,651        | 2,445,156        |
| <b>Total employee benefit</b>                                      | <b>2,640,042</b>    | <b>2,611,701</b> | <b>2,640,042</b> | <b>2,611,701</b> |

There were no expenses incurred by Pharmacy Guild of Australia, Victoria as consideration for making payroll deduction of membership subscription.

|  | <i>Consolidated</i> |             | <i>Parent</i> |             |
|--|---------------------|-------------|---------------|-------------|
|  | <i>2023</i>         | <i>2022</i> | <i>2023</i>   | <i>2022</i> |
|  | \$                  | \$          | \$            | \$          |
| <b>(d) Grants and donations</b>        |                     |             |               |             |
| Grants:                                |                     |             |               |             |
| - Total paid that were \$1,000 or less | -                   | -           | -             | -           |
| - Total paid that exceeded \$1,000     | -                   | -           | -             | -           |
| Donations:                             |                     |             |               |             |
| - Total paid that were \$1,000 or less | 3,578               | 1,645       | 3,578         | 1,645       |
| - Total paid that exceeded \$1,000     | 4,210               | 6,636       | 4,210         | 6,636       |
|  | 7,788               | 8,281       | 7,788         | 8,281       |

Purpose of donations/grants greater than \$1,000 have been disclosed separately in a statement lodged under Section 237 of the Fair Work (Registered Organisations) Act 2009.

|                                   | <i>Consolidated</i> |              | <i>Parent</i> |              |
|-----------------------------------|---------------------|--------------|---------------|--------------|
|                                   | <i>2023</i>         | <i>2022</i>  | <i>2023</i>   | <i>2022</i>  |
|                                   | \$                  | \$           | \$            | \$           |
| <b>(e) Levies</b>                 |                     |              |               |              |
| Levies imposed                    | -                   | -            | -             | -            |
| <b>(f) Members briefing costs</b> | <b>3,688</b>        | <b>5,062</b> | <b>3,688</b>  | <b>5,062</b> |

## Notes to the Financial Statement (continued)

For the year ended 30 June 2023

## NOTE 5 PROFIT FOR THE YEAR (continued)

|   | <i>Consolidated</i> |               | <i>Parent</i> |               |
|---|---------------------|---------------|---------------|---------------|
|   | 2023                | 2022          | 2023          | 2022          |
|   | \$                  | \$            | \$            | \$            |
| <b>(g) Legal expense</b>  |                     |               |               |               |
| - litigations   | -                   | -             | -             | -             |
| - other legal matters   | 28,733              | 21,780        | 15,003        | 4,350         |
|   | <u>28,733</u>       | <u>21,780</u> | <u>15,003</u> | <u>4,350</u>  |
| Analysis of legal expense:  |                     |               |               |               |
| - legal expense paid  | 21,517              | 21,780        | 15,003        | 4,350         |
| - legal expense payable   | 7,216               | -             | -             | -             |
|   | <u>28,733</u>       | <u>21,780</u> | <u>15,003</u> | <u>4,350</u>  |
| <b>(h) Affiliation fees</b>   | -                   | -             | -             | -             |
| <b>(i) Penalties - Fair Works (Registered Organisations) Act 2009</b> | -                   | -             | -             | -             |
| <b>(j) Conference and Meeting Expenses</b>                            |                     |               |               |               |
| Conference and training expenses                                      | 15,861              | 13,938        | 15,861        | 13,938        |
| Branch Committee meeting expenses                                     | 3,034               | 2,127         | 3,034         | 2,127         |
|   | <u>18,895</u>       | <u>16,065</u> | <u>18,895</u> | <u>16,065</u> |
| <b>(k) Loss on revaluation of investment property</b>                 | -                   | (529,321)     | -             | -             |

Consolidated expenses listed in this note relate solely to the Branch and its controlled entities and are disclosed in accordance with Fair Work Australia Reporting Guideline Item 16.

## NOTE 6 CASH AND CASH EQUIVALENTS

|               | <i>Consolidated</i> |                  | <i>Parent</i>  |                |
|---------------|---------------------|------------------|----------------|----------------|
|               | 2023                | 2022             | 2023           | 2022           |
|               | \$                  | \$               | \$             | \$             |
| Cash at bank  | 1,830,512           | 1,687,786        | 439,628        | 618,034        |
| Term deposits | 451,370             | 417,007          | -              | -              |
|               | <u>2,281,882</u>    | <u>2,104,793</u> | <u>439,628</u> | <u>618,034</u> |

Cash at bank earn interest at floating rates based on daily bank deposit rates. Short-term deposits mature every 30 days or 180 days and earn interest at the respective short-term deposit rate. The carrying amount of cash and cash equivalents represents fair value.

## Reconciliation to the statement of cash flows

For the purposes of the statement of cash flows, cash and cash equivalents comprise of the above.

## Notes to the Financial Statement (continued)

For the year ended 30 June 2023

## NOTE 7 TRADE AND OTHER RECEIVABLES

|  | <i>Consolidated</i> |                | <i>Parent</i>  |                |
|--|---------------------|----------------|----------------|----------------|
|  | 2023                | 2022           | 2023           | 2022           |
|  | \$                  | \$             | \$             | \$             |
| Trade receivables                        | 81,439              | 48,556         | 67,372         | 30,480         |
| Other receivables                        | 61,687              | 56,184         | 61,707         | 47,640         |
|  | <u>143,126</u>      | <u>104,740</u> | <u>129,079</u> | <u>78,120</u>  |
| Related party receivables                | 10,366              | 11,457         | 10,366         | 52,069         |
|  | <u>153,492</u>      | <u>116,197</u> | <u>139,445</u> | <u>130,189</u> |
| Less: Provision for Expected Credit Loss | ( 13,000)           | ( 9,000)       | ( 13,000)      | ( 49,612)      |
| Trade and Other Receivables              | <u>140,492</u>      | <u>107,197</u> | <u>126,445</u> | <u>80,577</u>  |

The movement in the provision for expected Credit Loss of trade and other receivables is as follows:

**At 1 July**

|                                    |                 |                |                 |                 |
|------------------------------------|-----------------|----------------|-----------------|-----------------|
| Provision for expected credit loss | (9,000)         | (7,000)        | (49,612)        | (43,795)        |
| Additional provision               | (4,000)         | (2,000)        | (7,388)         | (5,817)         |
| Write-off                          | -               | -              | 44,000          | -               |
| <b>At 30 June</b>                  | <u>(13,000)</u> | <u>(9,000)</u> | <u>(13,000)</u> | <u>(49,612)</u> |

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

At 30 June, the analysis of trade and other receivables that were past due but not impaired is as follows:

|                                   | <i>Consolidated</i> |                | <i>Parent</i>  |               |
|-----------------------------------|---------------------|----------------|----------------|---------------|
|                                   | 2023                | 2022           | 2023           | 2022          |
|                                   | \$                  | \$             | \$             | \$            |
| Neither past due nor impaired     | <u>107,085</u>      | <u>97,538</u>  | <u>107,105</u> | <u>70,918</u> |
| Past due but not impaired:        |                     |                |                |               |
| < 30 days                         | 19,031              | 1,410          | 4,964          | 1,410         |
| 30 - 60 days                      | 5,246               | 4,981          | 5,246          | 2,337         |
| > 60 days                         | 9,130               | 3,268          | 9,130          | 5,912         |
|                                   | <u>33,407</u>       | <u>9,659</u>   | <u>19,340</u>  | <u>9,659</u>  |
| Total trade and other receivables | <u>140,492</u>      | <u>107,197</u> | <u>126,445</u> | <u>80,577</u> |

**Notes to the Financial Statement (continued)****For the year ended 30 June 2023****NOTE 8 OTHER ASSETS**

|                      | <i>Consolidated</i> |                | <i>Parent</i> |               |
|----------------------|---------------------|----------------|---------------|---------------|
|                      | <i>2023</i>         | <i>2022</i>    | <i>2023</i>   | <i>2022</i>   |
|                      | \$                  | \$             | \$            | \$            |
| Prepayments          | 55,089              | 74,805         | 53,343        | 70,160        |
| Accrued income       | 116,528             | 56,301         | 24,925        | -             |
| Deferred Rent Assets | 85,992              | 59,532         | -             | -             |
|                      | <u>257,609</u>      | <u>190,638</u> | <u>78,268</u> | <u>70,160</u> |

**NOTE 9 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**

|                             | <i>Consolidated</i> |                  | <i>Parent</i> |             |
|-----------------------------|---------------------|------------------|---------------|-------------|
|                             | <i>2023</i>         | <i>2022</i>      | <i>2023</i>   | <i>2022</i> |
|                             | \$                  | \$               | \$            | \$          |
| Australia listed equities   | 1,572,568           | 1,461,251        | -             | -           |
| Global equities             | 1,325,025           | 1,286,438        | -             | -           |
| Interest bearing securities | 386,225             | 379,301          | -             | -           |
|                             | <u>3,283,818</u>    | <u>3,126,990</u> | <u>-</u>      | <u>-</u>    |

As at 30 June 2023, the Group held the following financial instruments measured at fair value:

|                             | <i>Level 1</i>   | <i>Level 2</i> | <i>Level 3</i> |
|-----------------------------|------------------|----------------|----------------|
|                             | \$               | \$             | \$             |
| <b>As at 30 June 2023</b>   |                  |                |                |
| Australia listed equities   | 1,572,568        | -              | -              |
| Global equities             | 1,325,025        | -              | -              |
| Interest bearing securities | 386,225          | -              | -              |
|                             | <u>3,283,818</u> | <u>-</u>       | <u>-</u>       |
| <b>As at 30 June 2022</b>   |                  |                |                |
| Australia listed equities   | 1,461,251        | -              | -              |
| Global equities             | 1,286,438        | -              | -              |
| Interest bearing securities | 379,301          | -              | -              |
|                             | <u>3,126,990</u> | <u>-</u>       | <u>-</u>       |

## Notes to the Financial Statement (continued)

For the year ended 30 June 2023

## NOTE 10 PROPERTY, PLANT AND EQUIPMENT

|  | <i>Consolidated</i> |              | <i>Parent</i> |              |
|--|---------------------|--------------|---------------|--------------|
|  | 2023                | 2022         | 2023          | 2022         |
|  | \$                  | \$           | \$            | \$           |
| <b>Plant and equipment</b>                 |                     |              |               |              |
| At cost                                    | 1,157,977           | 1,113,664    | 1,157,977     | 1,113,664    |
| Accumulated depreciation                   | ( 1,095,881)        | ( 1,076,352) | ( 1,095,881)  | ( 1,076,352) |
| Net carrying amount                        | 62,096              | 37,312       | 62,096        | 37,312       |
| <b>Motor vehicles</b>                      |                     |              |               |              |
| At cost                                    | 19,597              | 57,505       | 19,597        | 57,505       |
| Accumulated depreciation                   | ( 19,597)           | ( 56,297)    | ( 19,597)     | ( 56,297)    |
| Net carrying amount                        | -                   | 1,208        | -             | 1,208        |
| <b>Total property, plant and equipment</b> |                     |              |               |              |
| At cost                                    | 1,177,574           | 1,171,169    | 1,177,574     | 1,171,169    |
| Accumulated depreciation                   | ( 1,115,478)        | ( 1,132,649) | ( 1,115,478)  | ( 1,132,649) |
| Net carrying amount                        | 62,096              | 38,520       | 62,096        | 38,520       |

Reconciliation of carrying amount at the beginning and end of the year:

## Plant and equipment

## Balance at the beginning of the year

|   |               |               |               |               |
|---|---------------|---------------|---------------|---------------|
| At cost   | 1,113,664     | 1,090,962     | 1,113,664     | 1,090,962     |
| Accumulated depreciation                                    | ( 1,076,352)  | ( 1,053,587)  | ( 1,076,352)  | ( 1,053,587)  |
| <b>Net carrying amount</b>                                  | <b>37,312</b> | <b>37,375</b> | <b>37,312</b> | <b>37,375</b> |
| Additions   | 44,313        | 22,702        | 44,313        | 22,702        |
| Disposals   | -             | -             | -             | -             |
| Depreciation charge for the year                            | ( 19,529)     | ( 22,765)     | ( 19,529)     | ( 22,765)     |
| <b>Balance at the end of the year - net carrying amount</b> | <b>62,096</b> | <b>37,312</b> | <b>62,096</b> | <b>37,312</b> |

## Motor vehicles

## Balance at the beginning of the year

|   |              |               |              |               |
|---|--------------|---------------|--------------|---------------|
| At cost   | 57,505       | 69,005        | 57,505       | 69,005        |
| Accumulated depreciation                                    | ( 56,297)    | ( 53,523)     | ( 56,297)    | ( 53,523)     |
| <b>Net carrying amount</b>                                  | <b>1,208</b> | <b>15,482</b> | <b>1,208</b> | <b>15,482</b> |
| Additions   | -            | -             | -            | -             |
| Disposals   | -            | ( 2,145)      | -            | ( 2,145)      |
| Depreciation charge for the year                            | ( 1,208)     | ( 12,129)     | ( 1,208)     | ( 12,129)     |
| <b>Balance at the end of the year - net carrying amount</b> | <b>-</b>     | <b>1,208</b>  | <b>-</b>     | <b>1,208</b>  |

## Notes to the Financial Statement (continued)

For the year ended 30 June 2023

## NOTE 10 PROPERTY, PLANT AND EQUIPMENT (continued)

|   | <i>Consolidated</i> |               | <i>Parent</i> |               |
|---|---------------------|---------------|---------------|---------------|
|   | 2023                | 2022          | 2023          | 2022          |
|   | \$                  | \$            | \$            | \$            |
| <b>Total property, plant and equipment</b>                  |                     |               |               |               |
| Balance at the beginning of the year                        |                     |               |               |               |
| At cost   | 1,171,169           | 1,159,967     | 1,171,169     | 1,159,967     |
| Accumulated depreciation                                    | ( 1,132,649)        | ( 1,107,110)  | ( 1,132,649)  | ( 1,107,110)  |
| <b>Net carrying amount</b>                                  | <b>38,520</b>       | <b>52,857</b> | <b>38,520</b> | <b>52,857</b> |
| Additions   | 44,313              | 22,702        | 44,313        | 22,702        |
| Disposals   | -                   | ( 2,145)      | -             | ( 2,145)      |
| Depreciation charge for the year                            | ( 20,737)           | ( 34,894)     | ( 20,737)     | ( 34,894)     |
| <b>Balance at the end of the year - net carrying amount</b> | <b>62,096</b>       | <b>38,520</b> | <b>62,096</b> | <b>38,520</b> |

## NOTE 11 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

|   | <i>Consolidated</i> |               | <i>Parent</i> |               |
|---|---------------------|---------------|---------------|---------------|
|   | 2023                | 2022          | 2023          | 2022          |
|   | \$                  | \$            | \$            | \$            |
| <b>Right-of-use assets</b>                          |                     |               |               |               |
| (a) Motor Vehicles under finance lease              |                     |               |               |               |
| <b>As at 1 July 2021</b>                            | 40,307              | 32,024        | 40,307        | 32,024        |
| Addition  | 8,390               | 8,283         | 8,390         | 8,283         |
| Accumulated Depreciation                            | ( 41,604)           | ( 32,850)     | ( 41,604)     | ( 32,850)     |
| Impairment  | -                   | -             | -             | -             |
| <b>As at 1 July 2022</b>                            | <b>7,093</b>        | <b>7,457</b>  | <b>7,093</b>  | <b>7,457</b>  |
| Additions   | 3,378               | 8,390         | 3,378         | 8,390         |
| Depreciation  | ( 8,137)            | ( 8,754)      | ( 8,137)      | ( 8,754)      |
| Impairment  | -                   | -             | -             | -             |
| <b>As at 30 June 2023</b>                           | <b>2,334</b>        | <b>7,093</b>  | <b>2,334</b>  | <b>7,093</b>  |
| (b) Equipment under operating lease                 |                     |               |               |               |
| <b>As at 1 July 2021</b>                            | -                   | -             | -             | -             |
| Addition  | 39,222              | 39,222        | 39,222        | 39,222        |
| Accumulated Depreciation                            | ( 21,026)           | ( 9,470)      | ( 21,026)     | ( 9,470)      |
| Impairment  | -                   | -             | -             | -             |
| <b>As at 1 July 2022</b>                            | <b>18,196</b>       | <b>29,752</b> | <b>18,196</b> | <b>29,752</b> |
| Additions   | -                   | -             | -             | -             |
| Depreciation  | ( 11,556)           | ( 11,556)     | ( 11,556)     | ( 11,556)     |
| Impairment  | -                   | -             | -             | -             |
| <b>As at 30 June 2023</b>                           | <b>6,640</b>        | <b>18,196</b> | <b>6,640</b>  | <b>18,196</b> |
| <b>Total carrying amount of right-of-use assets</b> | <b>8,974</b>        | <b>25,289</b> | <b>8,974</b>  | <b>25,289</b> |



## Notes to the Financial Statement (continued)

For the year ended 30 June 2023

## NOTE 11 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

|                            | Consolidated |               | Parent       |               |
|----------------------------|--------------|---------------|--------------|---------------|
|                            | 2023         | 2022          | 2023         | 2022          |
|                            | \$           | \$            | \$           | \$            |
| <b>Lease Liabilities</b>   |              |               |              |               |
| (a) Current                |              |               |              |               |
| Motor vehicles under lease | 2,383        | 7,429         | 2,383        | 7,429         |
| Equipment under lease      | 2,279        | 11,558        | 2,279        | 11,558        |
|                            | <u>4,662</u> | <u>18,987</u> | <u>4,662</u> | <u>18,987</u> |
| (b) Non-current            |              |               |              |               |
| Motor vehicles under lease | -            | -             | -            | -             |
| Equipment under lease      | 4,510        | 6,790         | 4,510        | 6,790         |
|                            | <u>4,510</u> | <u>6,790</u>  | <u>4,510</u> | <u>6,790</u>  |

## NOTE 12 INVESTMENT PROPERTY

|  | Consolidated      |                   | Parent   |          |
|--|-------------------|-------------------|----------|----------|
|  | 2023              | 2022              | 2023     | 2022     |
|  | \$                | \$                | \$       | \$       |
| Opening balance at 1 July                  | 13,500,000        | 14,000,000        | -        | -        |
| Additions                                  | 81,537            | 29,321            | -        | -        |
| Net loss from fair value adjustments       | -                 | ( 529,321)        | -        | -        |
| Closing balance at 30 June                 | <u>13,581,537</u> | <u>13,500,000</u> | <u>-</u> | <u>-</u> |
| Investments in freehold land and buildings | 13,581,537        | 13,500,000        | -        | -        |

## (a) Description of valuation techniques used and key inputs to valuation on Investment property:

| Significant unobservable Inputs                       | Valuation technique   | Range (weighted average) |        |
|---|-----------------------|--------------------------|--------|
|   |                       | 2023                     | 2022   |
| Estimated office area rental per sqm per month        | Capitalisation method | \$ 455                   | \$ 380 |
| Estimated car space rental per car park bay per month | Capitalisation method | \$ 280                   | \$ 213 |
| Discount rate   |                       | 7.25%                    | 5.40%  |

**Notes to the Financial Statement (continued)****For the year ended 30 June 2023****NOTE 13 INVESTMENT IN ASSOCIATE**

|  | Consolidated |           |
|--|--------------|-----------|
|  | 2023         | 2022      |
|  | \$           | \$        |
| Investment in associate, FRED IT Group Pty Ltd | 1,453,847    | 3,931,532 |

The equity interest in FRED IT Group Pty Ltd is 35% (2022: 35%) and has been equity accounted.

Movement during the year in equity accounted investment in associate

|   |              |           |
|---|--------------|-----------|
| Balance at 1 July   | 3,931,532    | 3,838,082 |
| Add: share of associate's (loss)/profit after income tax post adjustments | ( 2,477,685) | 93,450    |
| Less: dividend revenue from associate                                     | -            | -         |
| Balance at 30 June  | 1,453,847    | 3,931,532 |

The investment in FRED IT Group Pty Ltd is higher than the share of the net assets due to premium on acquisition. The current year's share of loss on FRED IT Group Pty Ltd is significantly higher due to payment for litigation damages awarded against FRED IT Group Pty Ltd in April 2023.

The following illustrates summarized financial information relating the Group's investment in joint venture entity.

**Extract from the associate's statement of financial position**

|  | 2023       | 2022       |
|--|------------|------------|
|  | \$         | \$         |
| Current assets                                     | 12,383,900 | 9,788,500  |
| Non-current assets                                 | 39,422,300 | 29,268,100 |
|  | 51,806,200 | 39,056,600 |
| Current liabilities                                | 34,540,600 | 24,108,700 |
| Non-current liabilities                            | 13,472,100 | 4,187,600  |
|  | 48,012,700 | 28,296,300 |
| Net assets   | 3,793,500  | 10,760,300 |
| Less: Non-controlling interest share of net assets | ( 116,400) | ( 97,500)  |
| Adjusted net assets                                | 3,677,100  | 10,662,800 |
| Share of associate's net assets 35% (2022:35%)     | 1,286,985  | 3,731,980  |

## Notes to the Financial Statement (continued)

For the year ended 30 June 2023

**NOTE 13 INVESTMENT IN ASSOCIATE (continued)**

Extract from the associate's statement of profit or loss and other comprehensive income

|  | 2023         | 2022       |
|--|--------------|------------|
|  | \$           | \$         |
| Revenue  | 72,034,500   | 60,270,500 |
| Net (loss)/profit after tax                                    | ( 7,060,200) | 237,000    |
| Net (loss)/profit attributable to majority interest            | ( 7,079,100) | 267,000    |
| Share of associates net (loss)/profit after tax 35% (2022:35%) | (2,477,685)  | 93,450     |

**NOTE 14 LOAN TO ASSOCIATE**

|                    | Consolidated |           | Parent |      |
|--------------------|--------------|-----------|--------|------|
|                    | 2023         | 2022      | 2023   | 2022 |
|                    | \$           | \$        | \$     | \$   |
| <b>Non-current</b> |              |           |        |      |
| Loan to associate  | 2,100,000    | 2,100,000 | -      | -    |

The loan to associate is unsecured and bears an interest at the Bank Bill Swap Rate plus 4% margin. Subsequent to year end, a further \$2.8 million has been provided as an extension of the existing loan of \$2.1 million. Both loan repayment dates are 30 June 2024. No expected credit losses have been recognised in relation to any outstanding balances, and no expense has been recognised in respect of expected credit losses due from loan to associate.

**NOTE 15 TRADE AND OTHER PAYABLE**

|  | Consolidated |           | Parent    |           |
|--|--------------|-----------|-----------|-----------|
|  | 2023         | 2022      | 2023      | 2022      |
|  | \$           | \$        | \$        | \$        |
| <b>Current</b>   |              |           |           |           |
| Trade payables and accruals  | 507,272      | 382,169   | 392,045   | 321,820   |
| Legal cost payable   | 7,216        | -         | -         | -         |
| Unearned revenue   | 41,717       | 5,390     | 41,717    | 5,390     |
| Deferred revenue   | 731,224      | 946,750   | 724,569   | 942,405   |
| Payable to employers for making payroll deductions of membership subscriptions | -            | -         | -         | -         |
| Security deposit held in trust   | -            | -         | -         | -         |
|  | 1,287,429    | 1,334,309 | 1,158,331 | 1,269,615 |
| Related party payables   | 99,364       | 129,344   | 109,702   | 738,320   |
|  | 1,386,793    | 1,463,653 | 1,268,033 | 2,007,935 |
| <b>Non-current</b>   |              |           |           |           |
| Security deposit held in trust   | 81,812       | 52,167    | -         | -         |
| Interest held in trust   | 2,887        | 2,144     | -         | -         |
|  | 84,699       | 54,311    | -         | -         |

Trade payables are classified as financial liabilities at amortised cost.

## Notes to the Financial Statement (continued)

For the year ended 30 June 2023

## NOTE 15 TRADE AND OTHER PAYABLE (continued)

**Terms and conditions of the above liabilities:**

- Trade payables are non-interest bearing and are normally settled on 30-day terms.

For terms and conditions relating to related party payables, refer to Note 19.

For terms and conditions related to unearned revenue and deferred revenue, refer to Note 2.17.

For explanations on the Group's liquidity risk management process, refer to Note 3(c).

## NOTE 16 EMPLOYEE BENEFIT PROVISION

|  | <i>Consolidated</i>   |                       | <i>Parent</i>         |                       |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
|  | 2023                  | 2022                  | 2023                  | 2022                  |
|  | \$                    | \$                    | \$                    | \$                    |
| <b>Current</b>                           |                       |                       |                       |                       |
| Annual leave                             | 140,240               | 180,064               | 140,240               | 180,064               |
| Long service leave                       | 148,325               | 128,882               | 148,325               | 128,882               |
|  | <u>288,565</u>        | <u>308,946</u>        | <u>288,565</u>        | <u>308,946</u>        |
| <b>Non-Current</b>                       |                       |                       |                       |                       |
| Long service leave                       | 17,076                | 30,370                | 17,076                | 30,370                |
|  | <u>17,076</u>         | <u>30,370</u>         | <u>17,076</u>         | <u>30,370</u>         |
| <b>Total Employee benefit provisions</b> | <b><u>305,641</u></b> | <b><u>339,316</u></b> | <b><u>305,641</u></b> | <b><u>339,316</u></b> |

Refer to Note 2.18 for the relevant accounting policy and a discussion of the significant estimation and assumptions applied in the measurement of employee benefit provisions.

|   | <i>Consolidated</i>   |                       | <i>Parent</i>         |                       |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
|   | 2023                  | 2022                  | 2023                  | 2022                  |
|   | \$                    | \$                    | \$                    | \$                    |
| <i>Employee benefit provisions are analysed as follows:</i>                   |                       |                       |                       |                       |
| (i) <b>Relating to "Holders of Offices"</b>                                   |                       |                       |                       |                       |
| - Annual leave  | -                     | -                     | -                     | -                     |
| - Long service leave  | 39,786                | -                     | 39,786                | -                     |
| - Separation and redundancies   | -                     | -                     | -                     | -                     |
| - Other employee provisions   | -                     | -                     | -                     | -                     |
| - Other employee expenses   | -                     | -                     | -                     | -                     |
|   | <u>39,786</u>         | <u>-</u>              | <u>39,786</u>         | <u>-</u>              |
| (ii) <b>Relating to employees</b><br><b>("other than Holders of Offices")</b> |                       |                       |                       |                       |
| - Annual leave  | 140,240               | 180,064               | 140,240               | 180,064               |
| - Long service leave  | 125,615               | 159,252               | 125,615               | 159,252               |
| - Separation and redundancies   | -                     | -                     | -                     | -                     |
| - Other employee provisions   | -                     | -                     | -                     | -                     |
| - Other employee expenses   | -                     | -                     | -                     | -                     |
|   | <u>265,855</u>        | <u>339,316</u>        | <u>265,855</u>        | <u>339,316</u>        |
| <b>Total employee benefit provisions</b>                                      | <b><u>305,641</u></b> | <b><u>339,316</u></b> | <b><u>305,641</u></b> | <b><u>339,316</u></b> |

**Notes to the Financial Statement (continued)****For the year ended 30 June 2023****NOTE 16 EMPLOYEE BENEFIT PROVISION (continued)****Provision for employee benefits**

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

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

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefit liabilities have been discussed in Note 2.18.

**Amounts not expected to be settled within the next 12 months**

|  | <i>Consolidated</i> |             | <i>Parent</i> |             |
|--|---------------------|-------------|---------------|-------------|
|  | <i>2023</i>         | <i>2022</i> | <i>2023</i>   | <i>2022</i> |
|  | \$                  | \$          | \$            | \$          |
| Current leave obligations expected to be settled after 12 months | 87,506              | 57,069      | 87,506        | 57,069      |

No provisions were made for:

- (i) employee benefits relating to Branch Committee (2022: Nil).
- (ii) separation and redundancies or other employee provisions (2022: Nil).
- (iii) payables to employee as consideration for the employers making payroll deductions of membership subscriptions (2022: Nil).
- (iv) employee related payables in respect of legal costs and expenses related to:
  - (a) Litigation; and
  - (b) Other legal matters.

## Notes to the Financial Statement (continued)

For the year ended 30 June 2023

## NOTE 17 RESERVES

|                               | <i>Consolidated</i> |                  | <i>Parent</i>    |                  |
|-------------------------------|---------------------|------------------|------------------|------------------|
|                               | 2023                | 2022             | 2023             | 2022             |
|                               | \$                  | \$               | \$               | \$               |
| <b>RESERVES</b>               |                     |                  |                  |                  |
| Asset revaluation reserve     | -                   | -                | 3,784,080        | 3,784,080        |
| Income reserve - capital gain | 5,893,106           | 5,893,106        | -                | -                |
|                               | <u>5,893,106</u>    | <u>5,893,106</u> | <u>3,784,080</u> | <u>3,784,080</u> |

The income reserve records the capital from the sale of part of the Group's investment in FRED IT Group Pty Ltd's shares.

The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets.

## NOTE 18 STATEMENT OF CASH FLOW RECONCILIATION

|   | <i>Consolidated</i> |                  | <i>Parent</i>    |                  |
|---|---------------------|------------------|------------------|------------------|
|   | 2023                | 2022             | 2023             | 2022             |
|   | \$                  | \$               | \$               | \$               |
| <b>Reconciliation of net profit for the year to net cash used in operations</b> |                     |                  |                  |                  |
| (Loss)/Profit for the year  | (1,857,952)         | (812,728)        | 152,627          | (667,891)        |
| <i>Adjustment for:</i>  |                     |                  |                  |                  |
| Depreciation & Amortisation   | 40,430              | 55,206           | 40,430           | 55,206           |
| Impairment on revaluation of investment property                                | -                   | 529,321          | -                | -                |
| Gain on sale of fixed assets  | (27,727)            | (11,492)         | (27,727)         | (11,492)         |
| Distribution income from :  |                     |                  |                  |                  |
| The Guild (Victoria) Computer Unit Trust  | -                   | -                | -                | -                |
| The Guild Properties (Victoria) Unit Trust                                      | -                   | -                | (614,615)        | (45,700)         |
| Interest paid classified as financing cash flow                                 | 457                 | 789              | 457              | 789              |
| Dividend income classified as investing cash flow                               | (161,029)           | (123,165)        | -                | -                |
| (Gain)/loss on divestment of other investments                                  | 3,881               | (75,067)         | -                | -                |
| Unrealised fair value gain/(loss)   | (272,220)           | 436,875          | -                | -                |
| Bad Debts written off   | -                   | -                | 3,388            | -                |
| Expected credit loss from trade receivables                                     | 4,000               | 2,000            | 4,000            | 5,817            |
| Share of (Profit)/loss from joint venture entity                                | 2,477,685           | (93,450)         | -                | -                |
| <i>Changes in assets and liabilities</i>  |                     |                  |                  |                  |
| Decrease/(increase) in trade and other receivables                              | (37,295)            | (18,790)         | (53,256)         | (10,605)         |
| Decrease/(increase) in other assets   | (66,971)            | 118,375          | (8,108)          | 37,219           |
| (Decrease)/Increase in trade and other payables                                 | (76,859)            | (163,050)        | (139,901)        | 463,857          |
| (Decrease)/increase in employee benefit liabilities                             | (33,675)            | (130,370)        | (33,675)         | (130,370)        |
| (Decrease)/Increase in other liabilities  | 30,387              | 5,038            | -                | (600,000)        |
| Net cash flows (used in)/from operating activities                              | <u>23,112</u>       | <u>(280,508)</u> | <u>(676,380)</u> | <u>(903,170)</u> |

**Notes to the Financial Statement (continued)****For the year ended 30 June 2023****NOTE 19 RELATED PARTY TRANSACTIONS****(a) Director and executive disclosure**

The following persons held positions on the Branch Committee or were Directors during the reporting period:

|                   |                          |
|-------------------|--------------------------|
| Mr. A. Tassone    | Branch President         |
| Ms. G. Chong      | Vice President – Finance |
| Mr. P. Krassar    | Vice President           |
| Ms. M. Tsitonakis | Vice President           |
| Mr. A. Pricolo    | Branch Committee         |
| Mr. K. Chong      | Branch Committee         |
| Mr. B. Robertson  | Branch Committee         |
| Ms. C. Streeter   | Branch Committee         |
| Mr. S. Wilkes     | Branch Committee         |
| Ms. M. Kazantzis  | Branch Committee         |
| Mr. B. Green      | Branch Committee         |
| Mr. S. E. Ahmad   | Branch Committee         |

**FRED IT Group Pty Ltd**

|                |                                |
|----------------|--------------------------------|
| Mr. P. Krassar | Director FRED IT Group Pty Ltd |
| Mr. A. Pricolo | Director FRED IT Group Pty Ltd |

| <i>Consolidated</i> |             | <i>Parent</i> |             |
|---------------------|-------------|---------------|-------------|
| <i>2023</i>         | <i>2022</i> | <i>2023</i>   | <i>2022</i> |
| \$                  | \$          | \$            | \$          |

**(b) Balances with related parties****(i) Amount payable to related parties:**

Amount included in trade and other payable - Note 15

**Current**

|   |                 |                  |                  |                  |
|---|-----------------|------------------|------------------|------------------|
| The Pharmacy Guild of Australia<br>(National Secretariat) | (95,398)        | (120,427)        | (95,398)         | (120,427)        |
| Guild Group Holding Ltd                                   | -               | (8,917)          | -                | (7,115)          |
| Guild Insurance Ltd                                       | (3,966)         |                  | (2,795)          | -                |
| The Guild Properties (Victoria) Unit<br>Trust             | -               | -                | (11,509)         | (10,778)         |
| Pharmacy Computers Australia Pty Ltd                      | -               | -                | -                | (600,000)        |
|   | <u>(99,364)</u> | <u>(129,344)</u> | <u>(109,702)</u> | <u>(738,320)</u> |

**Notes to the Financial Statement (continued)****For the year ended 30 June 2023****NOTE 19 RELATED PARTY TRANSACTIONS (continued)****(b) Balances with related parties (continued)**

The loan provided by Pharmacy Computers Australia Pty Ltd to Pharmacy Guild of Australia, Victoria bears interest rate at 4.0% and was payable on 19 January 2023. On 16 February 2023, Pharmacy Computers Australia Pty Ltd has forgiven the debt of \$600,000 and converted the debt as a distribution to Pharmacy Guild of Australia, Victoria.

All related party transactions are at arm's length.

|   | <i>Consolidated</i> |               | <i>Parent</i>    |                  |
|---|---------------------|---------------|------------------|------------------|
|   | <i>2023</i>         | <i>2022</i>   | <i>2023</i>      | <i>2022</i>      |
|   | \$                  | \$            | \$               | \$               |
| <b>(ii) Amount receivable from related parties:</b>       |                     |               |                  |                  |
| The Pharmacy Guild of Australia<br>(National Secretariat) | -                   | 10,506        | -                | 10,506           |
| The Pharmacy Guild of Australia (NSW)                     | -                   | 818           | -                | 818              |
| Guild Group Holding Ltd                                   | -                   | 133           | -                | 133              |
| Gold Cross Products and Services                          | 10,366              | -             | 10,366           | -                |
|   | <u>10,366</u>       | <u>11,457</u> | <u>10,366</u>    | <u>11,457</u>    |
| <i>Present Entitlement receivable from :</i>              |                     |               |                  |                  |
| The Guild (Vic) Computer Unit Trust                       | -                   | -             | 4,184,990        | 4,784,990        |
| The Guild Properties (Victoria) Unit Trust                | -                   | -             | 787,768          | 708,154          |
|   | <u>-</u>            | <u>-</u>      | <u>4,972,758</u> | <u>5,493,144</u> |

Related parties outstanding balances at year end are unsecured, interest free and settlement occurs in cash.



## Notes to the Financial Statement (continued)

For the year ended 30 June 2023

## NOTE 19 RELATED PARTY TRANSACTIONS (continued)

## (c) Transactions with related parties

The following transactions took place with related parties during the reporting period:

|  | Consolidated       |                  | Parent             |                  |
|--|--------------------|------------------|--------------------|------------------|
|  | 2023               | 2022             | 2023               | 2022             |
|  | \$                 | \$               | \$                 | \$               |
| <b>The Pharmacy Guild of Australia National Secretariat</b>        |                    |                  |                    |                  |
| (i) Funding for Business Support Services                          | 883,300            | 755,480          | 883,300            | 755,480          |
| (ii) Rental received by Victoria Branch                            | 11,550             | 3,025            | 11,550             | 3,025            |
| (iii) Funding for Community Pharmacy Project                       | 27,000             | -                | 27,000             | -                |
| (iv) Funding for political associate function                      | -                  | 3,136            | -                  | 3,136            |
| (v) Other reimbursable expenses                                    | 11,850             | 15,722           | 11,850             | 15,722           |
|  | <u>933,700</u>     | <u>777,363</u>   | <u>933,700</u>     | <u>777,363</u>   |
| (vi) Membership contributions paid by Victorian Branch             |                    |                  |                    |                  |
| <i>Terms: 50% (2022 :50% ) of gross membership fees received.</i>  | (966,191)          | (914,571)        | (966,191)          | (914,571)        |
| (vii) Support fees for maintenance of national membership database | (28,570)           | (28,750)         | (28,570)           | (28,750)         |
| (viii) Share of annual e-Learning licence fees                     | -                  | (6,780)          | -                  | (6,780)          |
| (ix) Workplace Relation Support Fee                                | (54,000)           | (12,000)         | (54,000)           | (12,000)         |
| (x) Immunization & Vaccination Module Delivery fees                | -                  | (7,008)          | -                  | (7,008)          |
| (xi) Share of consultancy fee                                      | -                  | (21,276)         | -                  | (21,276)         |
| (xii) Share of Subscription fee                                    | (4,421)            | -                | (4,421)            |                  |
| (xiii) Other reimbursable expenses                                 | (2,586)            | (1,357)          | (2,586)            | (1,357)          |
|  | <u>(1,055,768)</u> | <u>(991,742)</u> | <u>(1,055,768)</u> | <u>(991,742)</u> |
| <b>The Pharmacy Guild of Australia (NSW)</b>                       |                    |                  |                    |                  |
| (i) Commission Income received by Victoria Branch                  | -                  | 3,073            | -                  | 3,073            |

**Notes to the Financial Statement (continued)****For the year ended 30 June 2023****NOTE 19 RELATED PARTY TRANSACTIONS (continued)****(c) Transactions with related parties (continued)**

|  | <i>Consolidated</i> |                | <i>Parent</i> |               |
|--|---------------------|----------------|---------------|---------------|
|  | <i>2023</i>         | <i>2022</i>    | <i>2023</i>   | <i>2022</i>   |
|  | \$                  | \$             | \$            | \$            |
| <b>The Pharmacy Guild of Australia (QLD)</b> |                     |                |               |               |
| (i) Other reimbursable expenses              | -                   | 2,119          | -             | 2,119         |
| <b>The Pharmacy Guild of Australia (ACT)</b> |                     |                |               |               |
| (i) Reimbursement of Trainer cost            | -                   | (850)          | -             | (850)         |
| <b>Other related parties</b>                 |                     |                |               |               |
| <b>Pharmacy Computers Australia Pty Ltd</b>  |                     |                |               |               |
| (i) Management Fee paid to Victorian Branch  | -                   | -              | 33,000        | 33,000        |
| (ii) Loan to associate                       | -                   | 490,000        | -             | -             |
| (iii) Loan interest income from Associate    | 146,178             | 78,714         | -             | -             |
|  | <u>146,178</u>      | <u>568,714</u> | <u>33,000</u> | <u>33,000</u> |

The loan provided by Pharmacy Computers Australia Pty Ltd to Pharmacy Guild of Australia, Victoria bears interest rate at 4.0% and was payable on 19 January 2023. During the year, the interest charge has been waived. On 16 February 2023, Pharmacy Computers Australia Pty Ltd had forgiven the debt of \$600,000 and converted the debt as a distribution to Pharmacy Guild of Australia, Victoria.

The loan provided by Pharmacy Computers Australia Pty Ltd to FRED IT Group Pty Ltd bears interest rate at the bank bill swap rate plus 4% margin and is due for repayment on 30 June 2024.

## Notes to the Financial Statement (continued)

For the year ended 30 June 2023

## NOTE 19 RELATED PARTY TRANSACTIONS (continued)

## (c) Transactions with related parties (continued)

## Associates of Pharmacy Computers Australia Pty Ltd

|  | Consolidated |        | Parent |      |
|--|--------------|--------|--------|------|
|  | 2023         | 2022   | 2023   | 2022 |
|  | \$           | \$     | \$     | \$   |
| <b>FRED IT Group Pty Ltd</b>   |              |        |        |      |
| (i) Loan interest from \$2.1 million(2022:\$2.10 million) loan released to assist in progression of projects | 146,178      | 78,714 | -      | -    |
| (ii) Payment for reimbursable expenses   | (102)        | -      | (102)  | -    |
|  | 146,076      | 78,714 | (102)  | -    |

## Guild Properties (Victoria) Unit Trust

|  |   |   |           |           |
|--|---|---|-----------|-----------|
| (i) Management Fees paid to Victorian Branch                         | - | - | 99,600    | 99,600    |
| (ii) Office rental paid by Victorian Branch                          | - | - | (235,707) | (232,840) |
| (iii) Building outgoings costs & maintenance paid by Victoria Branch | - | - | (85,319)  | (80,490)  |
| (iv) Reimbursement of Expenses                                       | - | - | 817       | 1,105     |
|  | - | - | (220,609) | (212,625) |
| (iv) Distribution of income to Victorian Branch                      | - | - | 535,000   | 804,300   |
| <i>Term: Normal commercial term</i>                                  | - | - | 314,391   | 591,675   |

## Subsidiaries of the Pharmacy Guild of Australia:

## Guild Insurance Ltd

|   |          |          |          |          |
|---|----------|----------|----------|----------|
| (i) Vehicle insurance premium for Victoria Branch | (11,894) | (28,249) | (11,894) | (28,249) |
| (ii) Insurance Referral Income                    | 118,017  | -        | 118,017  | -        |
|   | 106,123  | (28,249) | 106,123  | (28,249) |

## Guild Group Holding Ltd

|   |     |          |     |          |
|---|-----|----------|-----|----------|
| (i) Group insurance premium for Victoria Branch | -   | (41,689) | -   | (41,689) |
| (ii) Reimbursement of expenses                  | 226 | 121      | 226 | 121      |
|   | 226 | (41,568) | 226 | (41,568) |

## Guildlink Pty Ltd

|                                |       |        |       |        |
|--------------------------------|-------|--------|-------|--------|
| (i) Domain fees                | 7,107 | 10,660 | 7,107 | 10,660 |
| (ii) Reimbursement of Expenses | 45    | -      | 45    | -      |
|                                | 7,152 | 10,660 | 7,152 | 10,660 |

## Gold Cross Product Services

|                           |        |   |        |   |
|---------------------------|--------|---|--------|---|
| (i) Product Referral Fees | 33,895 | - | 33,895 | - |
|---------------------------|--------|---|--------|---|

## Australasian College of Pharmacy

|                               |         |   |         |   |
|-------------------------------|---------|---|---------|---|
| (i) Vax course capitation fee | (4,416) | - | (4,416) | - |
|-------------------------------|---------|---|---------|---|

## Notes to the Financial Statement (continued)

For the year ended 30 June 2023

## NOTE 19 RELATED PARTY TRANSACTIONS (continued)

|  | Consolidated     |                | Parent           |                  |
|--|------------------|----------------|------------------|------------------|
|  | 2023             | 2022           | 2023             | 2022             |
|  | \$               | \$             | \$               | \$               |
| <b>(d) Cash flow movements with related parties</b>    |                  |                |                  |                  |
| <i>(i) Receipts from related parties</i>               |                  |                |                  |                  |
| The Pharmacy Guild of Australia (National Secretariat) | 792,996          | 849,551        | 792,996          | 849,551          |
| The Pharmacy Guild of Australia (NSW)                  | 818              | 3,174          | 818              | 3,174            |
| The Pharmacy Guild of Australia (QLD)                  | -                | 2,331          | -                | 2,331            |
| Pharmacy Computers Australia Pty Ltd                   | -                | -              | 33,000           | 40,150           |
| The Guild Properties (Victoria) Unit Trust             | -                | -              | 110,459          | 110,776          |
| Guildlink Pty Ltd                                      | 7,867            | 11,726         | 7,867            | 11,726           |
| Guild Group Holdings                                   | 381              | -              | 381              | -                |
| Guild Insurance Ltd                                    | 129,819          | -              | 129,819          | -                |
| FRED IT Group Pty Ltd                                  | 148,487          | 80,553         | -                | -                |
| Gold Cross Products and Services Pty Ltd               | 26,919           | -              | 26,919           | -                |
|  | <u>1,107,287</u> | <u>947,335</u> | <u>1,102,259</u> | <u>1,017,708</u> |

*\*\* All receipts from related parties are on commercial terms*

|  |                  |                  |                  |                  |
|--|------------------|------------------|------------------|------------------|
| <i>(ii) Payments to related parties</i>                |                  |                  |                  |                  |
| The Pharmacy Guild of Australia (National Secretariat) | 1,280,482        | 989,608          | 1,280,482        | 986,858          |
| The Pharmacy Guild of Australia (ACT)                  | -                | 2,387            | -                | 2,387            |
| Guild Insurance Ltd                                    | -                | 30,794           | -                | 30,794           |
| Guild Group Holding Ltd                                | 56,632           | 63,384           | 45,331           | 45,582           |
| The Guild Properties (Victoria) Unit Trust             | -                | -                | 347,076          | 336,139          |
| FRED IT Group Pty Ltd                                  | 112              | -                | 112              | -                |
|  | <u>1,337,226</u> | <u>1,086,173</u> | <u>1,673,001</u> | <u>1,401,760</u> |

*\*\* All payments to related parties are on commercial terms*

**Notes to the Financial Statement (continued)****For the year ended 30 June 2023****NOTE 20 KEY MANAGEMENT PERSONNEL**

The remuneration paid to key management personnel of the Branch during the year are as follows:

**Key Management Personnel**

|                             | <i>Consolidated</i> |                | <i>Parent</i>  |                |
|-----------------------------|---------------------|----------------|----------------|----------------|
|                             | <i>2023</i>         | <i>2022</i>    | <i>2023</i>    | <i>2022</i>    |
|                             | \$                  | \$             | \$             | \$             |
| Wages and salaries          | 460,475             | 432,108        | 460,475        | 432,108        |
| Superannuation              | 48,764              | 45,246         | 48,764         | 45,246         |
| Leave & other entitlements  | 30,101              | 19,549         | 30,101         | 19,549         |
| Separation & redundancies   | 52,210              | 111,535        | 52,210         | 111,535        |
| Branch Committee allowances | 3,000               | 3,000          | 3,000          | 3,000          |
|                             | <u>594,550</u>      | <u>611,438</u> | <u>594,550</u> | <u>611,438</u> |

**NOTE 21 CONTROLLED ENTITIES CONSOLIDATED**

| Subsidiaries or associated entities of The Pharmacy Guild of Australia, Victoria | Country of incorporation | Percentage Owned (%) |      |
|--|--------------------------|----------------------|------|
|  |                          | 2023                 | 2022 |
| Pharmacy Computers Australia Pty Ltd   | Australia                | 100                  | 100  |
| The Guild (Victoria) Computer Unit Trust   | Australia                | 100                  | 100  |
| Care Energy Australia Pty Ltd  | Australia                | 100                  | 100  |
| The Guild Properties (Victoria) Unit Trust                                       | Australia                | 100                  | 100  |

| Associates of The Pharmacy Computers Australia Pty Ltd | Country of incorporation | Percentage Owned (%) |      |
|--|--------------------------|----------------------|------|
|  |                          | 2023                 | 2022 |
| FRED IT Group Pty Ltd                                  | Australia                | 35                   | 35   |

Care Energy Australia Pty Ltd has been dormant since 2021. During the year, the members of Care Energy Australia Pty Ltd resolved for the company to be voluntary dissolved due to cessation of business and its dormant status. Amount owing by Care Energy Australia of \$44,000 has been waived via a Deed of Debt Forgiveness entered between Pharmacy Guild of Australia, Victoria and Care Energy Australia Pty Ltd on 16 February 2023. The Form 6010 (Voluntary Deregistration of Company) has also been lodged with ASIC in May 2023.

**NOTE 22 AUDITOR'S REMUNERATION**

*Amount received or due and receivable by Pitcher Partners (Melbourne) for:*

|   | <i>2023</i>   | <i>2022</i>   |
|---|---------------|---------------|
|   | \$            | \$            |
| An audit of the financial report of the entity and any other entity is the consolidated group | <u>59,165</u> | <u>51,150</u> |

**Notes to the Financial Statement (continued)****For the year ended 30 June 2023****NOTE 23 CAPITAL LEASE AND LEASING COMMITMENTS****(a) Operating leases commitments – as lessee**

No amounts have been shown for 30 June 2023 as this is now recognised as right-of-use assets and lease liabilities as a result of adopting the new accounting standard AASB 16. Refer to Note 11 for further details.

**(b) Operating lease commitments – as lessor**

The Group has entered into operating leases on its investment property. These leases have terms between 3 to 5 years. All leases include a clause to enable upward revision of the rental charge on an annual basis ranging from Consumer Price Index adjustment to fixed increase rate of 3% to 3.5%.

Commitments for minimum operating lease income in relation to operating leases are as follows:

|   | <i>Consolidated</i> |             | <i>Parent</i> |             |
|---|---------------------|-------------|---------------|-------------|
|   | <i>2023</i>         | <i>2022</i> | <i>2023</i>   | <i>2022</i> |
|   | \$                  | \$          | \$            | \$          |
| Within one year                             | 603,408             | 484,444     | -             | -           |
| After one year but not more than five years | 539,954             | 436,547     | -             | -           |
| Total minimum lease income                  | 1,143,362           | 920,991     | -             | -           |

**(c) Capital commitments**

There were no capital commitments as at 30 June 2023 (30 June 2022: Nil).

**NOTE 24 EVENTS SUBSEQUENT TO REPORTING DATE**

Subsequent to the year-end, Pharmacy Computers Australia Pty Ltd has provided an addition loan of \$2.8 million to FRED IT Pty Ltd. The loan is an extension of the existing loan of \$2.1 million which bears interest at the Bank Bill Swap Rate plus 4% margin. Both loans repayment dates are 30 June 2024.

**NOTE 25 ENTITY DETAILS**

The registered office of the Group is:

The Pharmacy Guild of Australia, Victoria  
 Guild House, 40 Burwood Road  
 Hawthorn VIC 3122

**Notes to the Financial Statement (continued)**For the year ended 30 June 2023

---

**NOTE 26 OTHER INFORMATION REQUIRED FOR PURPOSES OF SECTION 235 FAIR WORK  
(REGISTERED ORGANISATIONS) ACT 2009****(a) General Requirements for Presentation and Disclosure****(i) Financial Support**

The Branch's ability to continue as a going concern is not reliant on the agreed financial support of another reporting unit(s).

The Branch has not agreed to provide financial support to ensure another reporting unit(s) has the ability to continue as a going concern.

**(ii) Assets and liabilities acquired**

The Branch has not acquired an asset or liability during the financial year as a result of:

- (a) a restructure of the Branches of the organisation; or
- (b) a determination by the General Manager under subsection 245(1) of the RO Act of an alternative reporting structure for the organization; or
- (c) a revocation by the General Manager under subsection 249(1) of the RO Act of a certificate issued to an organisation under subsection 245(1).

The Branch has not acquired an asset or liability during the financial year as part of a business combination.

**(b) Statement of changes in equity**

There were no other funds or accounts operated by the Branch other than the general fund of the Branch during the financial year (2022: Nil).

**(c) Recovery of wages activity**

The Pharmacy Guild of Australia, Victoria has not undertaken any recovery of wages activity during the financial year ended 30 June 2023.

**(d) Other expenses**

No expenses are incurred as:

- (i) consideration for employers making payroll deductions of membership subscriptions;
- (ii) affiliation fees to any political party, any federation, congress, council or group of organisations or any international body having an interest in industrial matters;
- (iii) compulsory levies imposed on the Branch.

**Notes to the Financial Statement (continued)****For the year ended 30 June 2023**

---

**NOTE 27 INFORMATION TO BE PROVIDED TO MEMBERS OR COMMISSIONER**

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

- 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.
- 2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- 3) A reporting unit must comply with an application made under subsection (1).



**Report required 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 reporting unit for the year ended 30 June 2023.

**Report under S255(2A)**

|  | <i>Consolidated</i> |                  | <i>Parent</i>    |                  |
|--|---------------------|------------------|------------------|------------------|
|  | <i>2023</i>         | <i>2022</i>      | <i>2023</i>      | <i>2022</i>      |
|  | \$                  | \$               | \$               | \$               |
| <b>Category of Expenses</b>  |                     |                  |                  |                  |
| Remuneration and other employment-related costs and expenses - employees | 2,640,042           | 2,611,701        | 2,640,042        | 2,611,701        |
| Advertising  | -                   | -                | -                | -                |
| Operating costs  | 1,022,394           | 992,547          | 936,174          | 941,707          |
| Donations to political parties   | 7,788               | 8,281            | 7,788            | 8,281            |
| Legal costs  | 28,733              | 21,780           | 15,003           | 4,350            |
|  | <u>3,698,957</u>    | <u>3,634,309</u> | <u>3,599,007</u> | <u>3,566,039</u> |



**ANTHONY TASSONE**  
Branch President



**GRACE CHONG**  
Vice President - Finance

19 September 2023

## Committee of Management Statement

### For the year ended 30 June 2023

---

On 19 September 2023, the Committee of Management of the Pharmacy Guild of Australia, Victoria 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 in relation to the GPFR that, in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the RO Act);
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of The Pharmacy Guild of Australia, Victoria for the financial year to 30 June 2023;
- (d) there are reasonable grounds to believe that The Pharmacy Guild of Australia, Victoria 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 financial year:
  - (i) meetings of the Committee of Management were held in accordance with the rules of the organisation, including the rules of The Pharmacy Guild of Australia, Victoria Branch; and
  - (ii) the financial affairs of The Pharmacy Guild of Australia, Victoria Branch have been managed in accordance with the rules of the organisation, including the rules of The Pharmacy Guild of Australia, Victoria Branch;
  - (iii) the financial records of The Pharmacy Guild of Australia, Victoria Branch have been kept and maintained, in accordance with the RO Act; and
  - (iv) the financial records have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the Pharmacy Guild of Australia; and
  - (v) where information has been sought in any request by a member of The Pharmacy Guild of Australia, Victoria or the Commissioner duly made under section 272 of the RO Act, that information has been furnished or made available 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.

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



---

**ANTHONY TASSONE**  
Branch President



---

**GRACE CHONG**  
Vice President - Finance

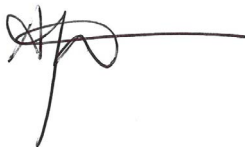
19 September 2023

### Officer Declaration

I, Anthony Tassone, being the Branch President of the Pharmacy Guild of Australia, Victoria, declare that the following activities did not occur during the reporting period ending 30 June 2023.

Pharmacy Guild of Australia, Victoria, did not:

- 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.
- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity.
- have another entity administer the financial affairs of the reporting unit.
- make a payment to a former related party of the reporting unit.




---

**ANTHONY TASSONE**  
Branch President

Dated: 19 September 2023

INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
THE PHARMACY GUILD OF AUSTRALIA, VICTORIA

**Report on the Audit of the Financial Report**

*Opinion*

We have audited the financial report of The Pharmacy Guild of Australia, Victoria and its subsidiaries ("the Guild"), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, the Committee of Management Statement, the subsection 255 (2A) report and the Officer Declaration Statement.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the Guild as at 30 June 2023, and its financial performance and its cash flows for the year then ended in accordance with:

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

I declare that management's use of the going concern basis in the preparation of the financial statements of the Guild is appropriate.

*Basis for Opinion*

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Entity 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 also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Other Information*

The Committee of Management are responsible for the other information. The other information comprises the information included in the Guild's annual report and the Operating Report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
THE PHARMACY GUILD OF AUSTRALIA, VICTORIA

*Responsibilities of the Committee of Management for the Financial Report*

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

In preparing the financial report, the committee of management is responsible for assessing the Guild's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the committee of management either intends to liquidate the Guild or to cease operations, or has no realistic alternative but to do so.

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

*Auditor's Responsibilities for the Audit of the Financial Report*

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

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

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

INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
THE PHARMACY GUILD OF AUSTRALIA, VICTORIA

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Guild to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Guild audit. We remain solely responsible for our audit opinion.

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

The engagement partner on the audit resulting in this independent auditors report is Kylee Byrne who is an approved auditor, a member of Chartered Accountants Australia and New Zealand and holds a current Certificate of Public Practice.



K L BYRNE  
Partner



PITCHER PARTNERS  
Melbourne

Registration number (as registered by the RO Commissioner under the RO Act): AA2017/154

Date: 19 September 2023