



Australian Government
Registered Organisations Commission

10 December 2018

Mr Nick Panayiaris
Branch President
Pharmacy Guild of Australia, South Australia Branch

By e-mail: guildsa@sa.guild.org.au

Dear Mr Panayiaris

Pharmacy Guild of Australia, South Australia Branch
Financial Report for the year ended 30 June 2018 - FR2018/225

I acknowledge receipt of the amended financial report for the year ended 30 June 2018 for the Pharmacy Guild of Australia, South Australia Branch (PGA-SA). The financial report was lodged with the Registered Organisations Commission (ROC) on 7 December 2018.

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

Whilst the 2018 report has been filed the following should be addressed in the preparation of the next financial report.

General Purpose Financial Report (GPFR)

Reporting guideline activities – not disclosed

Reporting guideline 21 states that if any activity described within items 10-20 of the reporting guidelines has not occurred in the reporting period, a statement to this effect must be included the GPFR or in an officer's declaration statement.

The notes/officer's declaration statement contained nil activity information for all prescribed reporting guideline categories except the following:

- Item 14(i) – incur expenses due to holding a meeting as required under the rules of the organisation

Officer's declaration statement to include nil activity disclosures not elsewhere disclosed

Item 21 of the reporting guidelines states that if any of the activities identified within items 10-20 of the reporting guidelines have not occurred in the reporting period, a statement to this effect must be included either in the financial statements, the notes or in the officer's declaration statement.

I note that the officer's declaration statement includes nil activity disclosures for which there was already an equivalent form of disclosure in the body of the notes.

Please note that nil activities should be disclosed once only.

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 9603 0707 or by email at ken.morgan@roc.gov.au

Yours faithfully

A handwritten signature in black ink, appearing to read 'K. Morgan', with a stylized flourish at the end.

KEN MORGAN
Financial Reporting Specialist
Registered Organisations Commission

Pharmacy Guild of Australia (SA Branch)

s.268 *Fair Work (Registered Organisations) Act 2009*

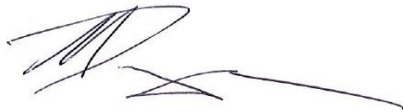
Certificate for the period ended 30 June 2018

Certificate of Designated Officer

I *Nick Panayiaris* being the *President* of the *Pharmacy Guild of Australia (SA Branch)* certify:

- that the documents lodged herewith are copies of the full report for the *Pharmacy Guild of Australia (SA Branch)* for the period ended referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the amended full report was provided to members of the reporting unit on *7th December 2018*; and
- that the amended full report was presented to a meeting of the committee of management of the reporting unit on *6th December 2018* in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer



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Name of prescribed designated officer:

Nick Panayiaris

Title of prescribed designated officer:

Branch President

Dated: 7th December 2018

Financial Report

**The Pharmacy Guild of Australia
(SA Branch)**

Year Ended 30 June 2018

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

OPERATING REPORT FOR THE YEAR ENDED 30 JUNE 2018

Your Branch Committee present their report on the Pharmacy Guild of Australia (SA Branch) for the financial year ended 30 June 2018.

The names of the Branch Committee in office at any time during or since the end of the year and the period for which the position was held are:

- N Panayiaris (Branch President - National Councillor)
- P Simmons (Vice President - Finance)
- S Schultz (Vice President to September 2017)
- A Doan (Senior Vice President to September 2017/ National Councillor from September 2017)
- T Goss (Vice President from September 2017)
- M Ajdukovic
- M Apolloni (Senior Vice President from September 2017)
- H Flannery (resigned September 2017)
- T Huynh (resigned September 2017)
- R Wynne (appointed September 2017)
- A Phillips (appointed September 2017)
- F Heidari (appointed September 2017)
- I Todd (National Councillor to September 2017)

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

The surplus of the Branch for the financial year amounted to \$97,660 (2017: surplus \$96,823).

Principal Activities

- i) The Pharmacy Guild of Australia SA Branch is an employer's organisation servicing the needs of proprietors of independent community pharmacies and representing their interests in industrial matters.
- ii) The Pharmacy Guild of Australia SA Branch assists the National Council and the National Executive of The Pharmacy Guild of Australia ('the Guild') in carrying out the overall policy and objectives of the Guild.
- iii) Included in the Annual Report are the various reports compiled by The Pharmacy Guild of Australia SA Branch's President, Director and Officers outlining the activities for the year. There were no significant changes in the nature of these activities during the year.

No significant changes in the Branch's financial affairs, other than those noted in the review of principal activities above, occurred during the financial year.

Officers or members who are superannuation fund trustee(s) or a director of a company that is a superannuation fund trustee where being a member or officer of a registered organisation is a criterion for them holding such position are detailed below

Mr I Todd - Director of the Guild Group Holdings Limited which is the parent entity of Guild Superannuation Services Pty Limited which is the trustee for the Guild Retirement Fund, which includes GuildSuper, Guild Pension and Child Care Super Guild Trustee Services Pty Limited (Resigned 7 March 2018)

Mr N Panayiaris - Director of the Guild Group Holdings Limited which is the parent entity of Guild Superannuation Services Pty Limited which is the trustee for the Guild Retirement Fund, which includes GuildSuper, Guild Pension and Child Care Super Guild Trustee Services Pty Limited (Appointed 8 March 2018)

Members Advice

- i) Under Section 174 of the Fair Work (Registered Organisation) Act 2009, a member may resign from membership by written notice addressed and delivered to the Branch Director in accordance with Rule 36 of the Guild's Constitution;
- 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 Branches rights to certain prescribed information.

The number of persons who were, at the end of the financial year to which the report relates, recorded in the register of members under Section 230 of the Fair Work (Registered Organisations) Act 2009 and who are taken to be members of the reporting unit under Section 244 of the Fair Work (Registered Organisations) Act 2009 was 253 members.

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

**OPERATING REPORT (CONT)
FOR THE YEAR ENDED 30 JUNE 2018**

Insurance of Officers

During the financial year, The Pharmacy Guild of Australia SA Branch paid insurance to cover all officers of The Pharmacy Guild of Australia SA Branch. The officers of The Pharmacy Guild of Australia SA Branch covered by the insurance policy included all the Branch Committee and the Branch Director. Other officers insured are the management of The Pharmacy Guild of Australia SA Branch. The liabilities incurred included 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 SA Branch.

The number of persons who were, at the end of the financial year to which the report relates, employees of the Branch, where the number of employees included both full time employees and part time employees measured on a full time equivalent basis was 17.

Signed in accordance with a resolution of the Branch Committee dated 6th December 2018

Branch President



Mr N Panayiaris

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

**BRANCH COMMITTEE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2018**

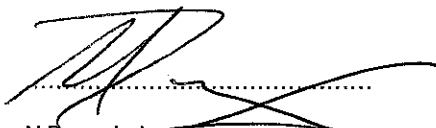
On 6th December 2018, the Branch Committee of The Pharmacy Guild of Australia (SA Branch) passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 30 June 2018 and instructed Nick Harry Panayiaris and Paul David Simmons, being the Branch President and Vice President (Finance) to sign the Branch Committee Statement:

We declare that in our opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act);
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the Guild will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - i) meetings of the committee of management were held in accordance with the rules of of the organisation including the rules of a branch concerned; and
 - ii) the financial affairs of the Guild have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - iii) the financial records of the Guild have been kept and maintained in accordance with the RO Act; and
 - iv) where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
 - v) where information has been sought in any request by a member of the reporting unit or Commissioner duly made under section 272 of the RO Act has been provided to the member or Commissioner; and
 - vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.
- f) the Guild has not derived revenue from undertaking recovery of wages activity.

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

Signed this 6th day of December 2018


N Panayiaris


P Simmons

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

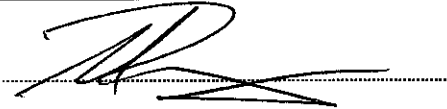
**REPORT REQUIRED UNDER SUBSECTION 255(2A)
FOR THE YEAR ENDED 30 JUNE 2018**

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended 30 June 2018

Descriptive form

Categories of Expenditure	2018	2017
	\$	\$
Remuneration and other employment- related costs and expenses - employees	1,191,167	1,196,819
Advertising	9,387	6,970
Operating costs	1,051,444	1,200,944
Donations to political parties	5,789	6,266
Legal Costs	-	19

Signature of designated officer



Name and title of designated officer

BRANCH PRESIDENT
NICOLE PANAYIARIS

Signed this 6th day of December 2018

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018**

	Note	2018 \$	2017 \$
Revenue	3	2,355,447	2,507,841
Employee expenses	5	1,191,167	1,196,819
Depreciation		7,710	19,814
Electricity		16,604	16,244
Finance costs		-	3,894
Insurance		15,381	13,238
Leasing Equipment		13,001	13,004
Rates and Taxes		-	-
Capitation Fees - National		294,373	455,536
Telephone		11,373	13,467
(Gain) / Loss on disposal of fixed assets		-	3,577
Other expenses	4	708,178	675,425
Surplus for the year		97,660	96,823
Other comprehensive income			
Net gain on the revaluation of property, plant and equipment recognised directly in equity		-	-
Total other comprehensive income for the year		-	-
Total comprehensive income for the year		97,660	96,823

The accompanying notes form part of these financial statements

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018**

	Note	2018 \$	2017 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	2,304,843	2,295,886
Trade and other receivables	7	69,336	99,315
Other current assets	8	27,885	27,208
TOTAL CURRENT ASSETS		2,402,064	2,422,409
NON-CURRENT ASSETS			
Property, plant and equipment	9	44,785	49,195
TOTAL NON-CURRENT ASSETS		44,785	49,195
TOTAL ASSETS		2,446,849	2,471,604
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	100,093	73,200
Income received in advance		154,886	312,066
Short-term provisions	11	312,409	304,537
Borrowings	12	-	-
TOTAL CURRENT LIABILITIES		567,388	689,803
NON-CURRENT LIABILITIES			
Borrowings	12	-	-
TOTAL NON CURRENT LIABILITIES		-	-
TOTAL LIABILITIES		567,388	689,803
NET ASSETS		1,879,461	1,781,801
EQUITY			
Retained earnings		1,879,461	1,781,801
TOTAL EQUITY		1,879,461	1,781,801

The accompanying notes form part of these financial statements

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018**

	Retained Earnings	Total
	\$	\$
Balance as at 1 July 2016	<u>1,684,978</u>	<u>1,684,978</u>
Transfer from reserves	-	-
Surplus for the year	<u>96,823</u>	<u>96,823</u>
Closing balance as at 30 June 2017	<u>1,781,801</u>	<u>1,781,801</u>
Transfer from reserves	-	-
Surplus for the year	<u>97,660</u>	<u>97,660</u>
Closing balance as at 30 June 2018	<u>1,879,461</u>	<u>1,879,461</u>

The accompanying notes form part of these financial statements

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018**

	Note	2018 \$	2017 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from other reporting units	16(d)	466,630	640,273
Receipts from customers		1,721,583	1,861,813
Payments to other reporting units	16(e)	(364,212)	(557,053)
Payments to suppliers and employees		(1,858,811)	(1,831,362)
Interest received		47,067	44,239
Borrowing costs		-	(3,894)
Net cash provided by operating activities	16(b)	<u>12,257</u>	<u>154,016</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		-	46,592
Purchase of property, plant and equipment		(3,300)	-
Net cash provided by/(used in) investing activities		<u>(3,300)</u>	<u>46,592</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of borrowings		-	(126,995)
Net cash (used in)/provided by financing activities		<u>-</u>	<u>(126,995)</u>
Net increase in cash and cash equivalents		8,957	73,613
Cash and cash equivalents at the beginning of the year		<u>2,295,886</u>	<u>2,222,273</u>
Cash and cash equivalents at the end of the year	16(a)	<u>2,304,843</u>	<u>2,295,886</u>

The accompanying notes form part of these financial statements

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2018**

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation of the financial statements

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and the Fair Work (Registered Organisation) Act 2009 (RO Act). For the purpose of preparing the general purpose financial statements the Guild is a not for profit entity.

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

The financial statements have been prepared on an accrual basis and in accordance with the historical cost, except for certain assets and liabilities measured at fair value, as explained in the accounting policies below. 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 statements are presented in Australian dollars.

Comparative amounts

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

Significant accounting judgements and estimates

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

New Australian Accounting Standards

Adoption of New Australian Accounting Standard Requirements

No accounting standard has been adopted earlier than the applicable date stated in the standard.

The accounting policies adopted are consistent with those of the previous financial year.

Future Australian Accounting Standard Requirements

New standards, amendments to standards or interpretations that were issued prior to the sign off date and are applicable to the future reporting period that are expected to have a future financial impact on the Guild include:

AASB 9 Financial Instruments

Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income (instead of in profit or loss). Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument. Introduces a 'fair value through other comprehensive income' measurement category for particular simple debt instruments.

Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases

Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows:

- the change attributable to changes in credit risk are presented in Other Comprehensive Income (OCI)
- the remaining change is presented in profit or loss

If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss.

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2018**

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

Future Australian Accounting Standard Requirements (Cont)

AASB 9 Financial Instruments (Cont)

Otherwise, the following requirements have generally been carried forward unchanged from AASB 139 into AASB 9:

- classification and measurement of financial liabilities; and
- derecognition requirements for financial assets and liabilities

The entity has undertaken an assessment of AASB 9. Based on this assessment, this standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when first adopted for the year ended 30 June 2019.

AASB 15 Revenue from Contracts with Customers

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied

The transitional provisions of this Standard permit an entity to either: restate the contracts that existed in each prior period presented per AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors (subject to certain practical expedients in AASB 15); or recognise the cumulative effect of retrospective application to incomplete contracts on the date of initial application. There are also enhanced disclosure requirements regarding revenue.

The entity is undertaking a detailed assessment of AASB 15. Based on an initial assessment, this standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when first adopted for the year ended 30 June 2019.

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2018**

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

Future Australian Accounting Standard Requirements (Cont)

AASB 16 Leases

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations. AASB 16 introduces a single lessee accounting model that the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard include:

- recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-to-use assets in line with AASB 116: Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;
- variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date;
- by applying a practical expedient, a lessee is permitted to elect not to separate non-lease components and instead account for all components as a lease; and
- additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108 or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

The entity is in the process of making a detailed assessment of AASB 16. Given there are operating leases held by the entity, in relation to rental premises, the introduction of this standard may have an impact on the transactions and balances recognised in the financial statements, when the standard is first adopted for the year ended 2020, however this impact is yet to be determined.

Accounting Policies

(a) Income Tax

The income of the Guild is exempt from income tax under Section 50.15 of the Income Tax Assessment Act 1997 however still has obligation for Fringe Benefit Tax (FBT) and the Goods and Services Tax (GST).

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

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

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

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified within operating cash flows.

(b) Property, Plant and Equipment

Asset Recognition Threshold

Purchases of land, buildings, plant and equipment are recognised initially at cost in the Statement of Financial Position. The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

Revaluations—Land and Buildings

Following initial recognition at cost, land and buildings are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient frequency such that the carrying amount of assets do not differ materially from those that would be determined using fair values as at the reporting date.

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

Accounting Policies

(b) Property, Plant and Equipment

Revaluations—Land and Buildings (Cont)

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the profit or loss except to the extent that they reverse a previous revaluation increment for that class. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount.

Depreciation

The depreciable amount of all fixed assets are depreciated on a straight line basis over the useful lives of the assets to the Guild commencing from the time the asset is held ready for use. The depreciation rates used for each class of depreciable asset are:

Class of Fixed Asset	Depreciation Rate
Office equipment and furniture	5% - 33.33%

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

Derecognition

An item of land, buildings, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit and loss.

Impairment for non-financial assets

All assets are assessed for impairment at the end of each reporting period to the extent that there is an impairment trigger. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the the Guild were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

(c) Financial Instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(d) Financial assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised upon trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Fair value through profit or loss

Financial assets are classified as at fair value through profit or loss when the financial asset is either held for trading or it is designated as at fair value through profit or loss.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item in the statement of comprehensive income.

Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity dates that the reporting unit has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

Available-for-sale

Listed shares and listed redeemable notes held by the reporting unit that are traded in an active market are classified as available-for-sale and are stated at fair value. The reporting unit may also have investments in unlisted shares that are not traded in an active market but that are also classified as available-for-sale financial assets and stated at fair value. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve, with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the reporting unit right to receive the dividends is established. The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The foreign exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2018**

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(d) Financial assets (Cont)

Loan and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, when appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest rate basis except for debt instruments other than those financial assets that are recognised at fair value through profit or loss.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the reporting units past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(d) Financial assets (Cont)

Impairment of financial assets (Cont)

In respect of available-for-sale equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of available-for-sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

Derecognition of financial assets

The reporting unit derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss

(e) Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

Fair value through profit or loss

Financial liabilities are classified as at fair value through profit or loss when the financial liability is either held for trading or it is designated as at fair value through profit or loss.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at fair value

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the statement of comprehensive income.

Other financial liabilities

Other financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(e) **Financial liabilities (Cont)**

Derecognition of financial liabilities

The reporting unit derecognises financial liabilities when, and only when, the reporting units obligations are discharged, cancelled or they expire. The difference between the carrying amounts of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(f) **Employee Benefits**

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave 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 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 reporting unit in respect of services provided by employees up to reporting date.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Provision is made for separation and redundancy benefit payments. The Guild recognises a provision for termination as part of a broader restructuring when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations. A provision for voluntary termination is recognised when the employee has accepted the offer of termination.

(g) **Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Where an asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and a liability is recognised at the same time and for the same amount.

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets.

Rental revenue from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

(h) **Borrowing costs**

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

(i) **Cash and Cash Equivalents**

Cash is recognised at its nominal amount. Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of the cash and subject to insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2018**

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(j) Trade Payables

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the Pharmacy Guild of Australia (SA Branch). Trade accounts payable are normally settled within 60 days.

(k) Trade and Other Debtors

Trade and other debtors are normally settled within 30 days and are carried at amounts due. The collectability of debts is assessed at balance date and specific provision is made for any doubtful accounts.

(l) Revenue

Revenue is measured at the fair value of the consideration received or receivable.

Revenue from subscriptions is accounted for on an accrual basis and is recorded as revenue in the year to which it relates.

Donation income is recognised when it is received.

Interest revenue is recognised on an accrual basis using the effective interest method.

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease.

Commission, Training, Quality Care and Pharmacy Community Forum income are brought to account as revenue in the period in which the services are provided.

All revenue is brought to account net of the amount of goods and services tax (GST).

(m) Gains - sale of assets

Gains and losses from disposal of assets are recognised when control of the asset has passed to the buyer.

(n) Capitation fees and levies

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

(o) Goods and Services Tax (GST)

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

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

(p) Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probably that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at reporting date.

(q) Government grants

Government grants are not recognised until there is reasonable assurance that the Guild will comply with the conditions attaching to them and that the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Guild recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Guild should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2018**

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(q) Government grants (Cont)

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

(r) Fair value measurement

The Guild measures financial instruments, such as, financial asset as at fair value through the profit and loss, available for sale financial assets, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet 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 by the Guild. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

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

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

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

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

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2018**

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

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

(t) Economic dependency

The future operations of the Guild are dependent upon achieving and maintaining appropriate member numbers, the continuation of adequate funding and revenue bases and the achievement of operating surpluses and positive operating cash flows.

NOTE 2 - EVENTS AFTER THE REPORTING PERIOD

Subsequent to signing and issuing the financial report for the year ended 30 June 2018 on 29 August 2018, a new financial report has been issued as a result of presentation and disclosure amendments requested by the ROC. None of the amendments had an effect on the overall financial position, performance or cash flows of the reporting entity.

	2018	2017
	\$	\$
NOTE 3 - REVENUE		
Operating Activities		
Members subscriptions	734,667	776,012
Nominal members subscription	720	450
New membership model supplement	57,000	-
Commissions	3,168	207,757
Training income	263,032	251,353
Pharmacy Business Support (incl Customer Experience Index)	323,682	382,724
Clean Needle Funding Program	85,015	83,348
Sundry income	6,714	2,875
Rental revenue	-	-
Payroll services	834,383	755,534
	<u>2,308,381</u>	<u>2,460,053</u>
Non-Operating Activities		
Interest received from other persons	47,066	47,788
	<u>2,355,447</u>	<u>2,507,841</u>
Revenue from recovery of wages activity		
Amounts recovered from employers in respect of wages	-	-
Interest received on recovered money	-	-
Total revenue from recovery of wages activity	<u>-</u>	<u>-</u>

No financial support received from another reporting unit.

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$
NOTE 4 - OTHER EXPENSES FROM ORDINARY ACTIVITIES		
Remuneration of auditor		
- audit or review services	13,750	13,055
- other services	1,455	3,450
Total remuneration	<u>15,205</u>	<u>16,505</u>
Advertising	9,387	6,970
Bank fees	8,843	9,571
Committee Expenses	22,388	3,009
Catering	1,376	1,467
Cleaning	8,506	8,671
Fees/allowances - meeting and conferences	455	5,497
Outside wages expense	19,301	71,967
Grants:		
- total paid that were \$1,000 or less	-	-
- total paid that exceeded \$1,000	-	-
Donations:		
- total paid that were \$1,000 or less	1,017	3,175
- total paid that exceeded \$1,000	9,773	6,818
Entertainment	2,673	2,616
IT expenses	97,545	94,563
Legal costs	-	19
Motor vehicles	9,008	12,657
Payroll service	211,249	205,189
Postage & freight	4,295	8,779
Printing & stationery	14,371	13,413
Penalties - via RO Act or RO Regulations	-	-
Affiliation fees	-	-
Subscriptions & memberships	3,749	3,233
Travel expense	11,996	11,053
Waste management	30,470	37,380
Consultant fees	52,872	11,861
Repairs and maintenance	1,008	1,756
Rent	113,103	111,442
Sundry expenses	59,588	27,814
	<u>708,178</u>	<u>675,425</u>

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$
NOTE 5 - EMPLOYEE EXPENSES		
Holders of Office		
Wages and salaries	72,816	71,393
Superannuation	6,917	6,782
Leave and other entitlements	-	-
Separation and redundancies	-	-
Other employee expenses	4,466	4,379
	<u>84,199</u>	<u>82,554</u>
Subtotal employee expenses holders of office		
Employees other than office holders:		
Wages and salaries	858,939	859,584
Superannuation	107,432	106,235
Leave and other entitlements	76,000	51,255
Separation and redundancies	18,602	23,439
Other employee expenses	45,995	73,752
	<u>1,106,968</u>	<u>1,114,265</u>
Subtotal employee expenses employees other than holders of office		
Total employee benefits expense	<u>1,191,167</u>	<u>1,196,819</u>

NOTE 6 - CASH AND CASH EQUIVALENTS

Cash on hand	200	200
Cash at bank	2,304,643	2,295,686
	<u>2,304,843</u>	<u>2,295,886</u>

NOTE 7 - TRADE AND OTHER RECEIVABLES

CURRENT

<i>Receivable from other reporting units</i>		
National Secretariat	-	-
Pharmacy Guild of Australia (NT Branch)	-	-
Pharmacy Guild of Australia (QLD Branch)	1,667	-
Pharmacy Guild of Australia (NSW Branch)	-	221
	<u>1,667</u>	<u>221</u>
Total receivables from other reporting units		
Less provision for doubtful debts	-	-
	<u>1,667</u>	<u>221</u>
Receivables from other reporting units (net)		
Trade receivables	37,627	44,782
Less provision for doubtful debts	(800)	(800)
	<u>36,827</u>	<u>43,982</u>
Trade receivables (net)		
Other debtors	16,730	39,747
GST receivable from Australian Taxation Office	14,113	15,365
	<u>30,843</u>	<u>55,112</u>
Other receivables		
Total Current Trade and Other Receivables	<u>69,336</u>	<u>99,315</u>

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2018

	2018 \$	2017 \$
NOTE 8 - OTHER CURRENT ASSETS		
CURRENT		
Prepayments	27,885	27,208
	<u>27,885</u>	<u>27,208</u>

NOTE 9 - PROPERTY, PLANT AND EQUIPMENT

NON CURRENT

Plant and Equipment		
Office equipment and furniture - at cost	142,383	142,759
Less accumulated depreciation	<u>(97,598)</u>	<u>(93,563)</u>
	44,785	49,196
Total Plant and Equipment	<u>44,785</u>	<u>49,196</u>
Total Property, Plant and Equipment	<u>44,785</u>	<u>49,196</u>

- (b) Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Equipment & Furniture	Motor Vehicles	Total
	\$	\$	\$
2018			
Balance at the beginning of the year	49,195	-	49,195
Additions	3,300	-	3,300
Disposal	-	-	-
Depreciation expense	<u>(7,710)</u>	<u>-</u>	<u>(7,710)</u>
Carrying amount at the end of the year	<u>44,785</u>	<u>-</u>	<u>44,785</u>

	Equipment & Furniture	Motor Vehicles	Total
	\$	\$	\$
2017			
Balance at the beginning of the year	56,993	62,184	119,177
Additions	-	-	-
Disposal	-	(50,169)	(50,169)
Depreciation expense	<u>(7,798)</u>	<u>(12,015)</u>	<u>(19,813)</u>
Carrying amount at the end of the year	<u>49,195</u>	<u>-</u>	<u>49,195</u>

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2018**

	2018	2017
	\$	\$
NOTE 10 - TRADE AND OTHER PAYABLES		
CURRENT		
Trade creditors and accruals	92,257	65,367
Consideration to employers for payroll deductions	-	-
Legal costs	-	-
GST payable	7,836	7,833
	<u>100,093</u>	<u>73,200</u>

NOTE 11 - EMPLOYEE PROVISIONS

EMPLOYEES OTHER THAN OFFICE HOLDERS

Annual Leave	144,273	136,695
Long Service Leave	168,136	167,843
Separations and redundancy	-	-
Other employee provisions	-	-
	<u>312,409</u>	<u>304,537</u>
Subtotal employee provisions	<u>312,409</u>	<u>304,537</u>

OFFICE HOLDERS

Annual Leave	-	-
Long Service Leave	-	-
Other employee provisions	-	-
	<u>-</u>	<u>-</u>

Subtotal employee other than office holders provisions - -

Aggregate employee entitlement liability 312,409 304,537

Number of employees at year end 17 16

NOTE 12 - FINANCIAL BORROWINGS

CURRENT

Hire purchase - Guild Insurance - secured (a)	-	-
Loan from Guild Insurance - secured (b)	-	-
	<u>-</u>	<u>-</u>

NON CURRENT

Hire purchase - Guild Insurance- secured (a)	-	-
Loan from Guild Insurance - secured (b)	-	-
	<u>-</u>	<u>-</u>

Total Financial Borrowings - -

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2018**

	2018	2017
	\$	\$
NOTE 13 - CAPITAL AND LEASING COMMITMENTS		
The Branch has the following operating lease commitments relating to motor vehicles:		
- Within one year	47,054	35,282
- Later than one year but less than three years	84,574	70,564
Total	<u>131,628</u>	<u>105,846</u>

The Branch has the following operating lease commitments relating to office building:

- Within one year	127,497	121,719
- Later than one year but less than three years	130,516	252,062
Total	<u>258,013</u>	<u>373,781</u>

The Branch has entered into an agreement on 1 August 2015 for renting 12/202-208 Glen Osmond Road, Fullarton for a period of 5 years for an annual rent of \$83,733 plus outgoings of \$26,849 to be adjusted for CPI.

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2018**

NOTE 14 - RELATED PARTY DISCLOSURES

- a) The following persons were members of the Branch Committee during the financial year:

N Panayiaris (Branch President - National Councillor)
 P Simmons (Vice President - Finance)
 S Schultz (Vice President to September 2017)
 T Goss (Vice President from September 2017)
 M Ajdukovic
 M Apolloni (Senior Vice President from September 2017)
 A Doan (Senior Vice President to September 2017/ National Councillor from September 2017)
 H Flannery (resigned September 2017)
 T Huynh (resigned September 2017)
 R Wynne (appointed September 2017)
 A Phillips (appointed September 2017)
 F Heidari (appointed September 2017)
 I Todd (National Councillor to September 2017)

- b) The ultimate controlling entity of The Pharmacy Guild of Australia (SA Branch) is The Pharmacy Guild of Australia.

- c) The aggregate of Branch Committee Members' and Branch Director's remuneration is as follows:

	2018	2017
	\$	\$
Committee Members' remuneration		
- Gross remuneration	99,051	78,175
Total remuneration	99,051	78,175
Gross Remuneration - employees including Branch Director (other than holders of office)	1,042,371	1,017,074
The aggregate amount of employee benefits payable to the Branch Director	-	-

- d) The aggregate amount paid during the year to a superannuation fund by The Pharmacy Guild of Australia (SA Branch) in connection with the resignation of any Branch Committee Member or Branch Director and not included as remuneration as above was \$ nil (2017: Nil).

- e) Branch Committee Members may utilise the clearing house and member services accounts on the same terms and conditions as other Guild Members.

- f) Amounts receivable/accrued for commissions from related parties - current

Guild Insurance Ltd	-	26,183
Gold Cross Products and Services	-	5,000

The above commissions are calculated at rates determined by the National Services Division and the Guild Insurance Ltd respectively.

- g) The aggregate of commission income received or receivable from related entities:

Guild Insurance Ltd	26,183	182,100
Gold Cross Products and Services	7,304	23,943

- h) The aggregate of membership expenses paid to the ultimate controlling entity

	294,373	455,536
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The aggregate of membership expenses payable to the ultimate controlling entity

	3,070	-
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THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2018**

NOTE 14 - RELATED PARTY DISCLOSURES (CONT)

	2018	2017
	\$	\$
i) Amount receivable/(payable) to related parties:		
- Pharmacy Guild Australia	(3,656)	(3,444)

Amounts payable to the Pharmacy Guild Australia comprise of \$3,070 for membership fees and \$586 for meeting expense reimbursements. Both of these amounts payable were paid to the Pharmacy Guild Australia on 31 July 2018.

NOTE 15 - KEY MANAGEMENT PERSONNEL REMUNERATION

Short-term employee benefits

Salary (including annual leave taken)	120,891	131,935
Annual leave accrued	4,154	6,568

Total short-term employee benefits

125,045	138,503
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Post-employment benefits:

Superannuation	11,400	13,008
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Total post-employment benefits

11,400	13,008
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Other long-term benefits:

Long-service leave	-	-
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Total other long-term benefits

-	-
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Termination benefits

-	3,749
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Total

136,445	155,260
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THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2018**

	2018 \$	2017 \$
NOTE 16 - CASH FLOW INFORMATION		
(a) Reconciliation of cash:		
Cash on hand	200	200
Cash at bank	2,304,643	2,295,686
	<u>2,304,843</u>	<u>2,295,886</u>
(b) Reconciliation of profit from operations to net cash provided by operating activities:		
Profit/(loss) from operations	97,660	96,823
Non-cash flows in profit from operations:		
Depreciation - property, plant and equipment	7,710	19,814
Profit/(loss) on disposal of fixed assets	-	3,577
Changes in assets and liabilities:		
(Increase)/decrease in receivables	29,979	(10,791)
(Increase)/decrease in prepayments	(677)	2,309
Increase/(decrease) in payables/uneamed income	(130,287)	14,860
Increase/(decrease) in provisions	7,872	27,424
Net cash provided by operating activities	<u>12,257</u>	<u>154,016</u>
(c) At balance date, the Branch had a loan outstanding of \$Nil (2017 : Nil)		
(d) Cash flows from		
Guild Insurance Ltd	28,801	174,942
Gold Cross Products and Services	8,035	26,887
Pharmacy Guild of Australia National Secretariat	427,543	435,226
Pharmacy Guild of Australia ACT	-	-
Pharmacy Guild of Australia NT	-	45
Pharmacy Guild of Australia NSW	1,028	1,285
Pharmacy Guild of Australia QLD	1,223	1,888
Pharmacy Guild of Australia VIC	-	-
Pharmacy Guild of Australia TAS	-	-
Pharmacy Guild of Australia WA	-	-
	<u>466,630</u>	<u>640,273</u>
(e) Cash flows to		
Pharmacy Guild of Australia National Secretariat	357,051	536,003
Pharmacy Guild of Australia NSW	-	-
Pharmacy Guild of Australia TAS	1,212	1,000
Pharmacy Guild of Australia VIC	-	-
Pharmacy Guild of Australia NT	-	-
Pharmacy Guild of Australia ACT	-	-
Pharmacy Guild of Australia QLD	5,950	7,950
Pharmacy Guild of Australia WA	-	12,100
	<u>364,212</u>	<u>557,053</u>

NOTE 17 - REMUNERATION OF AUDITORS

Financial statement audit services	13,750	13,055
Other services	1,455	3,450
Total remuneration of auditors	<u>15,205</u>	<u>16,505</u>

Other services provided relate to accounting services.

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2018**

NOTE 18 - FINANCIAL RISK MANAGEMENT

Management controls the capital of the entity to ensure that adequate cash flows are generated to fund its mentoring programs and that returns from investments are maximised. The committee ensures that the overall risk management strategy is in line with this objective.

Risk management policies are approved and reviewed by the Committee on a regular basis. These include credit risk policies and future cash flow requirements.

The entity's capital consists of financial liabilities, supported by financial assets.

Management effectively manages the entity's capital by assessing the entity's financial risks and responding to changes in these risks and in the market. These responses may include the consideration of debt levels.

There have been no changes to the strategy adopted by management to control the capital of the entity since the previous year.

The gearing ratios for the years ended 30 June 2018 and 30 June 2017 are as follows:

	2018 \$	2017 \$
Total Borrowings	-	-
Less cash and cash equivalents	<u>(2,304,843)</u>	<u>(2,295,886)</u>
Net (surplus)/ debt	<u>(2,304,843)</u>	<u>(2,295,886)</u>
Total equity (reserves + retained earnings)	<u>1,879,461</u>	<u>1,781,801</u>
Total capital	<u>425,382</u>	<u>514,084</u>
Gearing ratio	-542%	-447%

Credit Risk - Trade and Other Receivables

The Branch does not have any material credit risk exposure to any single receivable or group of receivables.

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

	Gross Amount \$	Past due and impaired \$	Past due but not impaired (days overdue)				Within initial trade terms \$
			<30 \$	31-60 \$	61-90 \$	>90 \$	
2018							
Trade and term receivables	37,293	800	14,838	4,483	1,645	16,329	14,838
Other receivables	<u>18,729</u>		<u>18,729</u>				<u>18,729</u>
Total	<u>56,022</u>	800	<u>33,567</u>	4,483	1,645	16,329	<u>33,567</u>
2017							
Trade and term receivables	43,003	800	24,367	708	4,746	13,182	24,367
Other receivables	<u>41,747</u>		<u>41,747</u>				<u>41,747</u>
Total	<u>84,750</u>	800	<u>66,114</u>	708	4,746	13,182	<u>66,114</u>

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

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2018

NOTE 18 - FINANCIAL RISK MANAGEMENT (CONT)

FINANCIAL INSTRUMENTS	2018	2017
	\$	\$
Financial Assets		
Fair value through profit or loss	-	-
Held to maturity investments	-	-
Available for sale assets	-	-
Loans and Receivables	56,022	84,750
Total	56,022	84,750
Carrying amount of financial assets	56,022	84,750
Financial Liabilities		
Fair value through profit or loss	-	-
Other financial liabilities	100,093	73,200
Total	100,093	73,200
Carrying amount of financial liabilities	100,093	73,200
Net Income and Expense from Financial Assets		
Held to maturity		
Interest Revenue	-	-
Exchange gains/ (loss)	-	-
Impairment	-	-
Gain/ (loss) on disposal	-	-
Net gain/ (loss) held to maturity	-	-
Loans and Receivables		
Interest Revenue	-	-
Exchange gains/(loss)	-	-
Impairment	-	-
Gain/ (loss) on disposal	-	-
Net gain/ (loss) from loans and receivables	-	-
Available for sale		
Interest Revenue	-	-
Dividend Revenue	-	-
Exchange gains/ (loss)	-	-
Gain/ loss recognised in equity	-	-
Amounts reversed from equity	-	-
Impairment	-	-
Fair value changes reversed on disposal	-	-
Gain/ (loss) on disposal	-	-
Net gain/ (loss) from available for sale	-	-
Fair Value through profit or loss		
Held for trading	-	-
Change in fair value	-	-
Interest revenue	-	-
Dividend revenue	-	-
Exchange gains/(loss)	-	-
Total held for trading	-	-
Designated as fair value through profit or loss		
Change in fair value	-	-
Interest revenue	-	-
Dividend revenue	-	-
Exchange gains/(loss)	-	-
Total designated as fair value through profit or loss	-	-
Net gain/ (loss) at fair value through profit or loss	-	-
Net gain/ (loss) from financial assets	-	-

The net income/ expense from financial assets not at fair value from profit and loss is \$nil (2017 \$nil)

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2018**

NOTE 18 - FINANCIAL RISK MANAGEMENT (CONT)

FINANCIAL INSTRUMENTS	2018	2017
	\$	\$
Net Income and Expense from Financial Liabilities		
At amortised cost	-	-
Interest expense	-	-
Exchange gains/ (loss)	-	-
Gain/ (loss) on disposal	-	-
Net gain/ (loss) financial liabilities at amortised cost	<u>-</u>	<u>-</u>
Fair value through profit or loss		
Change in fair value	-	-
Interest expense	-	-
Exchange gains/ (loss)	-	-
Total held for trading	-	-
Designated at fair value through profit or loss		
Change in fair value	-	-
Interest expense	-	-
Total designated at fair value through profit and loss	-	-
Net gain/ (loss) at fair value through profit or loss	<u>-</u>	<u>-</u>
Net gain/ (loss) from financial liabilities	-	-

The net income/ expense from financial liabilities not at fair value from profit and loss is \$nil (2017 \$nil)

LIQUIDITY RISK

Liquidity risk arises from the possibility that the entity might encounter difficulty settling its debts or otherwise meeting its obligations related to financial liabilities.

The entity manages liquidity risk by monitoring cash flows, only investing surplus cash with major financial institutions and comparing the maturity profile of financial liabilities with realisation of financial assets.

Contractual maturities for financial liabilities for 2018

	On Demand	<1 Year	1 - 2 Years	2-5 Years	> 5 Years	Total
	\$	\$	\$	\$	\$	\$
Trade and other payables	100,093	-	-	-	-	100,093
Total	<u>100,093</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>100,093</u>

Contractual maturities for financial liabilities for 2017

	On Demand	<1 Year	1 - 2 Years	2-5 Years	> 5 Years	Total
	\$	\$	\$	\$	\$	\$
Trade and other payables	73,200	-	-	-	-	73,200
Total	<u>73,200</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>73,200</u>

MARKET RISK

Exposure to interest rate risk arises on financial assets and liabilities recognised at reporting date whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The entity has no long term financial liabilities upon which it pays interest. Cash is held in an interest yielding cheque account and on short term call deposit where the interest rate is both fixed and variable according to the financial asset.

The entity has performed a sensitivity analysis relating to its exposure to interest rate risk at reporting date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks. It should be noted that the entity does not have borrowings and any impacts would be in relation to deposit yields on cash investments.

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2018

NOTE 18 - FINANCIAL RISK MANAGEMENT (CONT)

Sensitivity analysis of the risk that the entity is exposed to for 2018

	Risk Variable	Change in risk variable %	Effect On	
			Profit and Loss \$	Equity \$
Interest rate risk	Cash deposits	1% increase	23,048	23,048
Interest rate risk	Cash deposits	1% decrease	(23,048)	(23,048)

Sensitivity analysis of the risk that the entity is exposed to for 2017

	Risk Variable	Change in risk variable %	Effect On	
			Profit and Loss \$	Equity \$
Interest rate risk	Cash deposits	1% increase	22,959	22,959
Interest rate risk	Cash deposits	1% decrease	(22,959)	(22,959)

ASSETS PLEDGED/ OR HELD AS COLLATERAL

	2018 \$	2017 \$
Assets pledged as collateral		
Financial assets pledged as collateral	-	-
Total assets pledged as collateral	<u>-</u>	<u>-</u>
Assets held as collateral		
Fair value of assets held as collateral	-	-
Financial Assets	-	-
Non- financial assets	-	-
Total assets held as collateral	<u>-</u>	<u>-</u>

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2018

NOTE 18 - FINANCIAL RISK MANAGEMENT (CONT)

CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	1 July 2017	Cash flows	Reclassified as part of disposal group	Foreign exchange movement	Changes in fair value	New Leases	30 June 2018
Current interest bearing loans and borrowings (excluding items below)	-	-	-	-	-	-	-
Current obligations under finance lease and hire purchases	-	-	-	-	-	-	-
Non-current interest bearing loans and borrowings (excluding items below)	-	-	-	-	-	-	-
Non-current obligations under finance lease and hire purchase contracts	-	-	-	-	-	-	-
Dividends Payable	-	-	-	-	-	-	-
Derivatives	-	-	-	-	-	-	-
Total liabilities from financing activities	-	-	-	-	-	-	-

	1 July 2016	Cash flows	Reclassified as part of disposal group	Foreign exchange movement	Changes in fair value	New Leases	30 June 2017
Current interest bearing loans and borrowings (excluding items below)	15,178	(15,178)	-	-	-	-	-
Current obligations under finance lease and hire purchases	21,075	(21,075)	-	-	-	-	-
Non-current interest bearing loans and borrowings (excluding items below)	46,977	(46,977)	-	-	-	-	-
Non-current obligations under finance lease and hire purchase contracts	43,765	(43,765)	-	-	-	-	-
Dividends Payable	-	-	-	-	-	-	-
Derivatives	-	-	-	-	-	-	-
Total liabilities from financing activities	126,995	(126,995)	-	-	-	-	-

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2018**

NOTE 19 - BRANCH DETAILS

The principal place of business of the branch is:

The Pharmacy Guild of Australia (SA Branch)
Unit 12, 202-208 Glen Osmond Road
Fullarton SA 5063

NOTE 20 - LEGAL MATTERS

The Branch has no contingent assets or liabilities.

The Branch has no litigation and other legal matters.

NOTE 21 - SECTION 272 FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009

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), (2) and (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).

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

OFFICER DECLARATION STATEMENT

I, Nice PANAYIARIS, being the BRANCH PRESIDENT of the Pharmacy Guild of Australia (SA Branch), declare that the following activities did not occur during the reporting period ending 30 June 2018.

The reporting unit did not:

- agree to receive financial support from another reporting unit to continue as a going concern (refers to agreement regarding financial support not dollar amount)
- agree to provide financial support to another reporting unit to ensure they continue as a going concern (refers to agreement regarding financial support not dollar amount)
- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- receive revenue via compulsory levies
- receive donations or grants
- receive revenue from undertaking recovery of wages activity
- incur fees as consideration for employers making payroll deductions of membership subscriptions
- pay affiliation fees to other entity
- pay compulsory levies
- pay a grant that was \$1,000 or less
- pay a grant that exceeded \$1,000
- pay to a person fees or allowances to attend conferences or meetings as a representative of the reporting unit
- pay legal costs relating to litigation
- pay legal costs relating to other legal matters
- pay a penalty imposed under the RO Act or the Fair Work Act 2009
- have a payable to an employer for that employer making payroll deductions of membership subscriptions
- have a payable in respect of legal costs relating to litigation
- have a payable in respect of legal costs relating to other legal matters
- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- have a balance within the general fund
- have another entity administer the financial affairs of the reporting unit
- make a payment to a former related party of the reporting unit

Signed by the officer:



Dated: 6th December 2018

Independent Auditor's Report

To the Members of the Pharmacy Guild of Australia (SA Branch)

Report on the audit of the financial report

Opinion

We have audited the financial report of the Pharmacy Guild of Australia (SA Branch) (the Guild), which comprises the statement of financial position as at 30 June 2018, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, the statement by the Branch Committee, the subsection 255(2A) report and the Officer Declaration Statement.

In our opinion, the accompanying financial report of the Pharmacy Guild of Australia (SA Branch):

- a presents fairly, in all material respects, the Guild's financial position as at 30 June 2018 and of its performance and cash flows for the year then ended; and
- b complies with Australian Accounting Standards and any other requirements imposed by the Reporting Guidelines or art 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 Guild in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter

We draw attention to Note 2 of the financial statements, which details that the Guild was required to issue a new financial report for the year ended 30 June 2018 as a result of presentation and disclosure amendments requested by the Registered Organisations Commission. None of the amendments had an effect on the overall financial position, performance or cash flows of the Guild as previously reported.

Information other than the financial report and auditor's report thereon

The Branch Committee is responsible for the other information. The other information comprises the information included in the Guild's annual report for the year ended 30 June 2018, 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.

Responsibilities of Branch Committee and those charged with governance for the financial report

Branch Committee is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and *RO Act*. This responsibility also includes such internal control as Branch Committee determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, Branch Committee is responsible for assessing the Guild's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Branch Committee 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 Company's financial reporting process.

Auditor's responsibilities for the audit of the financial report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Guilds's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.
- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Guild'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 Guild to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- 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.

We declare that Bronwyn Wundersitz is an approved auditor, a member of Institute of Chartered Accountants Australia and New Zealand and holds a current Public Practice Certificate.

Grant Thornton.

Grant Thornton Audit Pty Ltd
Chartered Accountants



B K Wundersitz
Partner – Audit & Assurance

Registration number (as registered by the RO Commissioner under the RO Act): AA2017/163

Adelaide, 6 December 2018