



FAIR WORK
COMMISSION

7 October 2015

Ms Margaret Beerworth
Branch Director, Australian Capital Territory Branch
Pharmacy Guild of Australia

Sent via email: guild.act@guild.org.au

Dear Ms Beerworth

Re: Lodgement of Financial Statements and Accounts – Pharmacy Guild of Australia, Australian Capital Territory Branch - for year ended 30 June 2015 (FR2015/107)

I refer to the financial report for the Australian Capital Territory Branch of the Pharmacy Guild of Australia. The report was lodged with the Fair Work Commission on 24 September 2015.

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

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

Please note that the financial report for the year ending 30 June 2016 may be subject to an advanced compliance review.

Reporting Requirements

On the FWC website a number of factsheets in relation to the financial reporting process and associated timelines are available. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The FWC recommends reporting units use this model as it will assist in ensuring compliance with the *Fair Work (Registered Organisations) Act 2009*, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained via [this link](#).

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 by email at stephen.kellett@fwc.gov.au

Yours sincerely

Stephen Kellett
Senior Adviser
Regulatory Compliance Branch



The Pharmacy Guild of Australia ACT Branch
s.268 of Fair Work (Registered Organisations) Act 2009

Designated Officer's Certificate
Certificate for the period ended 30 June 2015

I Amanda Galbraith being the President of The Pharmacy Guild of Australia ACT Branch certify:

- that the documents lodged herewith are copies of the full report for The Pharmacy Guild of Australia ACT Branch for the period ended 30 June 2015 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was made available to members of the reporting unit on 31 August 2015; and
- that the full report was presented to a general meeting of members of the reporting unit on 23 September 2015 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Amanda Galbraith
President
23 September 2015

ACT Branch

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The Pharmacy
Guild of Australia
ACT Branch

The Pharmacy Guild of Australia ACT Branch

Financial Report For the Year Ended 30 June 2015

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Operating Report

I, Robert Turner, being the designated officer responsible for preparing this report for the financial year ended 30 June 2015 of the Pharmacy Guild of Australia ACT Branch, report as follows:

(a) Principal Activities:

- (i) The Pharmacy Guild of Australia ("the Guild") is an employers' organisation servicing the needs of proprietors of independent community pharmacies and to represent their interests in industrial matters.
- (ii) The principal place of the Pharmacy Guild of Australia ACT Branch is Level 3, 10 National Circuit, Barton ACT 2600.
- (iii) The Guild functions as a single entity and acts under its Constitution and Rules and reports under the Fair Work (Registered Organisations) Regulations 2009.
- (iv) The development of Guild policy is the responsibility of the Guild's supreme governing body, the National Council, on which all State and Territory Branches are represented.
- (v) The implementation of this policy is overseen by the National Executive through the National Secretariat.
- (vi) Within the framework of National Guild policy, development and implementation of the activities and operations of the ACT Branch is set by the members of the ACT Branch Committee.
- (vii) The ACT Branch continues its campaign to protect community pharmacy from any adverse regulatory changes to ACT legislation.
- (viii) In conjunction with the Guild's National Secretariat, the ACT Branch administered the Quality Care Pharmacy Program (QCPP) funded by the Fifth Community Pharmacy Agreement. Funding for the QCPP will continue to 30 June 2016.

(b) Significant changes to the financial affairs of the ACT Branch:

- (i) In accordance with National Council's decision to provide support to the ACT Branch, subsidy funding totalling \$220,000 (2014: \$220,000) has been provided during 2014/2015. National Council has made an ongoing commitment to support the ACT Branch based on approved budgets.

(c) Superannuation Trustees

- (i) Officers of the Branch holding the position of a trustee or director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme are as follows:
 - Robert Turner, director of Horton Street Chemco Pty Ltd. Horton Street Chemco Pty Ltd acts as trustee of the Black Sunflower Superannuation Fund.



(d) Members advice:

- (i) Under Section 174 of the *Fair Work (Registered Organisations) Act 2009*, a member has the right to resign from membership in accordance with Rule 36 of the organisation's Constitution and Rules.
- (ii) The register of members of the organisation was maintained in accordance with the *Fair Work (Registered Organisations) Act 2009*.

(e) Prescribed and other information:

- (i) As at 30 June 2015, to which this report relates, the number of members of the organisation was 66 (including 2 members who are also Honorary Life Members). Other Honorary Life Members and Associates totalled 9.
- (ii) As at 30 June 2015 the total number of employees employed by the reporting entity was 6.
- (iii) During the reporting period the following persons were members of the ACT Branch Committee of Management for the whole period unless stated otherwise:

Amanda Galbraith	Branch President
Simon Blacker	Senior Branch Vice-President (appointed 8 October 2014)
Robert Turner	Branch Vice-President - Finance
Elise Apolloni	
Felix Chan	(resigned 8 October 2014)
Christopher Lawler	
Patrick Reid	
Catherine Rice	

(f) Insurance of Officers:

- (i) During the financial year, The Pharmacy Guild of Australia ACT Branch paid insurance to cover all officers of The Pharmacy Guild of Australia ACT Branch. The officers of The Pharmacy Guild of Australia ACT Branch 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 ACT Branch. The liabilities insured include costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of The Pharmacy Guild of Australia ACT Branch.

Robert Turner
ACT Branch Vice President - Finance
28 August 2015



Committee of Management's Certificate

I, Robert Turner, Vice President of the Pharmacy Guild of Australia ACT Branch, do state on behalf of the Branch Committee and in accordance with a resolution passed on 28 August 2015 by the Branch Committee in relation to the general purpose financial report (GPFR) of the Pharmacy Guild of Australia ACT Branch for the financial year ended 30 June 2015:

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

- (a) the financial statements and notes comply with Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the General Manager of the Fair Work Commission;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows for the Pharmacy Guild of Australia ACT Branch for the financial year ended 30 June 2015;
- (d) there are reasonable grounds to believe that The Pharmacy Guild of Australia ACT Branch will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of The Pharmacy Guild of Australia ACT Branch were held in accordance with the rules of the organisation;
 - (ii) the financial affairs of The Pharmacy Guild of Australia ACT Branch have been managed in accordance with the rules of the organisation;
 - (iii) the financial records of The Pharmacy Guild of Australia ACT Branch have been kept and maintained in accordance with the *Fair Work (Registered Organisations) Act 2009* and the Fair Work (Registered Organisations) Regulations 2009;
 - (iv) the financial records of the Branch have been kept, as far as practicable, in a consistent manner to each of the other Branches of the Pharmacy Guild of Australia;
 - (v) to the knowledge of any member of the Branch Committee, there have been no instances where records of the organisation or other documents have not been furnished, or made available, to members or the General Manager of the Fair Work Commission in accordance with the requirements of section 272 of the *Fair Work (Registered Organisations) Act 2009*; and
 - (vi) The Pharmacy Guild of Australia ACT Branch has complied with any order for inspection of financial records made by the Fair Work Commission under section 273 of the *Fair Work (Registered Organisations) Act 2009*.
- (f) no revenue was derived from undertaking recovery of wages activity for the financial year ended 30 June 2015.

Robert Turner
ACT Branch Vice President - Finance
Canberra, 28 August 2015



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Independent auditor's report to the members of The Pharmacy Guild of Australia ACT Branch

We have audited the accompanying financial report of the Pharmacy Guild of Australia ACT Branch ("the ACT Branch"), which comprises the balance sheet as at 30 June 2015 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year ended on that date, a summary of significant accounting policies, other explanatory notes and the Committee of Management's Certificate.

The Committee of Management's Responsibility for the Financial Report

The Committee of Management of the ACT Branch is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Fair Work (Registered Organisations) Act 2009*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Committee of Management of the ACT Branch, as well as evaluating the overall presentation of the financial report.

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

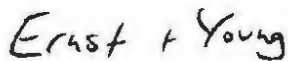
Independence

In conducting our audit we have complied with the independence requirements of the Australian professional accounting bodies.


Auditor's Opinion

In our opinion:

- (a) the financial report presents fairly, in all material respects, the financial position of The Pharmacy Guild of Australia ACT Branch as of 30 June 2015, and of its financial performance and cash flows for the year then ended in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Fair Work (Registered Organisations) Act 2009*;
- (b) the financial report complies with the requirements imposed by the Fair Work Reporting Guidelines; and
- (c) management's use of the going concern basis of accounting in preparation of the ACT Branch's financial statements is appropriate.



Ernst & Young



Ben Tansley
Canberra
28 August 2015

RCA: 342244
CA: 48000



**Statement of Comprehensive Income
For the Year Ended 30 June 2015**

	<i>Note</i>	2015 \$	2014 \$
REVENUE			
Revenue	5	655,467	634,261
Grants from the ACT Government		64,750	-
EXPENSES			
Remuneration and employee benefits expense	6(a),6(b)	(407,858)	(381,169)
Depreciation expense		(3,615)	(6,720)
Grants or donations	6(c)	-	(100)
Legal costs	6(d)	-	-
Other expenses	6(e)	<u>(296,079)</u>	<u>(264,280)</u>
SURPLUS / (DEFICIT) BEFORE INCOME TAX EXPENSE		<u>12,665</u>	<u>(18,008)</u>
INCOME TAX EXPENSE	2(d)	<u>-</u>	<u>-</u>
SURPLUS / (DEFICIT) AFTER INCOME TAX		<u>12,665</u>	<u>(18,008)</u>
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME / (DEFICIT) ATTRIBUTABLE TO THE MEMBERS OF THE PHARMACY GUILD OF AUSTRALIA ACT BRANCH		<u>12,665</u>	<u>(18,008)</u>

The above statement should be read in conjunction with the notes.



**Balance Sheet
As at 30 June 2015**

	<i>Note</i>	2015 \$	2014 \$
CURRENT ASSETS			
Cash and cash equivalents	7(a)	273,057	265,872
Trade and other receivables	8	43,791	83,870
Prepayments		10,675	18,610
Inventories		2,340	2,461
TOTAL CURRENT ASSETS		<u>329,863</u>	<u>370,813</u>
NON-CURRENT ASSETS			
Property, plant and equipment	9	6,766	10,350
TOTAL NON-CURRENT ASSETS		<u>6,766</u>	<u>10,350</u>
TOTAL ASSETS		<u>336,629</u>	<u>381,163</u>
CURRENT LIABILITIES			
Trade and other payables	10	55,419	55,222
Employee provisions	11	32,926	19,145
Other provisions	12	10,212	-
Revenue received in advance		40,296	110,880
TOTAL CURRENT LIABILITIES		<u>138,853</u>	<u>185,247</u>
NON-CURRENT LIABILITIES			
Employee provisions	13(a)	35,139	34,136
Other provisions	13(b)	-	11,808
TOTAL NON-CURRENT LIABILITIES		<u>35,139</u>	<u>45,944</u>
TOTAL LIABILITIES		<u>173,992</u>	<u>231,191</u>
NET ASSETS		<u>162,637</u>	<u>149,972</u>
EQUITY			
Equity attributable to the members of The Pharmacy Guild of Australia ACT Branch			
Accumulated funds		162,637	149,972
TOTAL EQUITY		<u>162,637</u>	<u>149,972</u>

The above statement should be read in conjunction with the notes.



**Statement of Cash Flows
For the Year Ended 30 June 2015**

	<i>Note</i>	2015	2014
		\$	\$
OPERATING ACTIVITIES			
Receipts from customers		619,281	624,783
Other income received		64,750	-
Payments to suppliers and employees		(682,496)	(633,912)
Interest received		5,681	5,775
		<u> </u>	<u> </u>
NET CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES	7(b)	<u>7,216</u>	<u>(3,354)</u>
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		<u>(31)</u>	<u>(456)</u>
		<u> </u>	<u> </u>
NET CASH FLOWS USED IN INVESTING ACTIVITIES		<u>(31)</u>	<u>(456)</u>
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS			
		7,185	(3,810)
Cash and cash equivalents at beginning of the year		265,872	269,682
		<u> </u>	<u> </u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	7(a)	<u>273,057</u>	<u>265,872</u>

The above statement should be read in conjunction with the notes.



**Statement of Changes in Equity
For the Year Ended 30 June 2015**

	<i>Accumulated Funds</i> \$	<i>Total Equity</i> \$
At 30 June 2013	167,980	167,980
Deficit for the year	(18,008)	(18,008)
Other comprehensive income	-	-
At 30 June 2014	149,972	149,972
Surplus for the year	12,665	20,101
Other comprehensive income	-	-
At 30 June 2015	<u>162,637</u>	<u>170,073</u>

The above statement should be read in conjunction with the notes.



Notes to the Financial Statements For the Year Ended 30 June 2015

Note 1: Organisational Information

The financial report of The Pharmacy Guild of Australia ACT Branch (the ACT Branch) for the year ended 30 June 2015 was authorised for issue in accordance with a resolution passed by the Branch Committee on 28 August 2015. The Pharmacy Guild of Australia ACT Branch is an unincorporated organisation registered under the *Fair Work (Registered Organisations) Act 2009* and domiciled in Australia. The nature of the operations and the principal activities of the ACT Branch are described in the Operating Report.

Note 2: Summary of Significant Accounting Policies

(a) Basis of Preparation

The financial report is a general purpose financial report which has been prepared in accordance with the requirements of the *Fair Work (Registered Organisation) Act 2009*, Australian Accounting Standards and other Authoritative pronouncements of the Australian Accounting Standards Board.

The financial report has been prepared on a historical cost basis and is presented in Australian dollars.

New Accounting Standards and Interpretations

In the current period, the ACT Branch has adopted all new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period.

Various standards and interpretations were on issue but were not yet effective at the date of authorisation of the financial report. The issue of these standards and interpretations do not affect the ACT Branch's present policies and operations. The branch committee anticipates that the adoption of these Standards and Interpretations in future periods will have no material financial impact on the financial statements of the ACT Branch.

(b) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the purposes of the Statement of Cash Flows, cash and cash equivalents consists of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(c) Inventories

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

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.



Notes to the Financial Statements For the Year Ended 30 June 2015

Note 2: Summary of Significant Accounting Policies (continued)

(d) Taxes

Income Tax

The ACT Branch is exempt from income tax in accordance with Section 50-15 of the *Income Tax Assessment Act 1997*.

Goods and Services Tax (GST)

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

- (i) where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- (ii) 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 Balance Sheet.

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 are classified as operating cash flows.

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

(e) Trade and other receivables

Trade receivables, which generally have 30-day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

Collectability of trade debtors is reviewed on an ongoing basis. Individual debts that are known to be uncollectable are written off when identified. An allowance for doubtful debts is made when there is objective evidence that the ACT Branch will not be able to collect the debts. Financial difficulties of the debtor, default payments or debts more than 90 days overdue are considered objective evidence of impairment. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows, discounted at the original effective interest rate.

Bad debts are written off when identified.



Notes to the Financial Statements For the Year Ended 30 June 2015

Note 2: Summary of Significant Accounting Policies (continued)

(f) Employee benefits

(i) Wages, salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

(ii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Where material, expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(g) Property, plant and equipment

Cost and Valuation

Plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. All other repairs and maintenance are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful life of the specific assets as follows:

Major depreciation periods are:	2015	2014
Plant and equipment:		
- office equipment	3 -5 years	3-5 years
- furniture & fittings	6-10 years	6-10 years
- IT equipment	4 years	4 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

Derecognition and disposals

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the statement of comprehensive income.



Notes to the Financial Statements For the Year Ended 30 June 2015

Note 2: Summary of Significant Accounting Policies (continued)

(g) Property, plant and equipment (continued)

Impairment

The carrying values of plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

An impairment exists when the carrying value of an asset exceeds its estimated recoverable amount. The asset is then written down to its recoverable amount.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. Value in use for the ACT Branch is taken to be its depreciated replacement cost (where they would replace the asset if deprived of it) as future economic benefit is not primarily dependent on the assets ability to generate future cash flows.

For plant and equipment, impairment losses are recognised in the statement of comprehensive income.

(h) Trade and other payables

Trade payables and other payables are carried at amortised cost. They represent liabilities for goods and services provided to the ACT Branch prior to the end of the financial year that are unpaid and arise when the ACT Branch becomes obliged to make future payments in respect of the purchase of these goods and services. These amounts are unsecured and are usually paid within 30 days of recognition.

(i) Revenue recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent that it is probable that the economic benefits will flow to the ACT Branch and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods are recognised when the control of the goods has passed to the buyer.

Subsidies – National Secretariat

Revenue from subsidies are recognised following approval of the amount by the National Secretariat.

Professional Services

Revenue from professional services is recognised in accordance with Memorandum of Understanding between the ACT Branch and the National Secretariat as the services are provided.

Membership subscriptions

Revenue from membership subscriptions is recognised over the period of the membership.



Notes to the Financial Statements For the Year Ended 30 June 2015

Note 2: Summary of Significant Accounting Policies (continued)

(i) Revenue recognition (continued)

Commissions

Revenue from commissions is recognised as and when the sale to which the commission relates has occurred.

Interest

Revenue is recognised as interest accrues using the effective interest method.

Sponsorship income

Sponsorship income is recognised at its fair value where there is reasonable assurance that the sponsorship income will be received and all attaching conditions will be complied with.

Government grants

When Government grants are received whereby the ACT Branch incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant income is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

(j) Operating lease

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date, whether fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Operating lease payments are recognised as an expense in the statement of comprehensive income on a straight-line basis over the lease term. Operating lease incentives are recognised as a liability when received and subsequently reduced by allocating lease payments between rental expense and reduction of the liability.

Note 3: Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenues and expenses. Management bases its judgements and estimates on historical experience and on other factors it believes to be reasonable under the circumstances, the results of which form the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.



Notes to the Financial Statements For the Year Ended 30 June 2015

Note 3: Critical accounting judgements and key sources of estimation uncertainty (continued)

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

(a) Make good provisions

A provision has been made for the present value of anticipated costs of future restoration of leased premises. The provision includes future cost estimates of restoring the premise to its original state. Uncertainties may result in future actual expenditure differing from the amounts currently provided. The provision recognised is periodically reviewed and based on the facts and circumstances at that time.

(b) Estimation of useful lives of assets

The estimation of the useful lives of assets has been based on historical experience. In addition, the condition of the assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary.

(c) Long Service leave provisions

The liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at balance date. In determining the present value of the liability, attrition rates and pay increases through promotion and inflation have been taken into account.

Note 4: Information to be Provided to Members or General Manager

In accordance with the requirements of the *Fair Work (Registered Organisations) Act 2009*, the attention of members is drawn to the provisions of sub-sections (1), (2), and (3) of Section 272, which read as follows:

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



Notes to the Financial Statements
For the Year Ended 30 June 2015

Note 5: Revenue

	2015	2014
	\$	\$
Revenue		
Subsidy – National Secretariat	220,000	220,000
Membership subscriptions	170,341	167,578
Capitation fees	-	-
Commissions	61,918	66,814
Donations	-	-
Events – Annual Dinner – Registrations	3,209	2,214
Events – Annual Dinner – Sponsorship	10,091	10,091
Events – PA Professional Development Day – Registrations	6,468	8,045
Events – PA Professional Development Day – Sponsorship	11,000	12,500
Events – Pharmacist Forums – Registrations	3,164	-
Interest income	5,681	5,775
Levies	-	-
Merchandising	20,676	20,718
Professional services	126,900	116,896
Projects	15,786	-
Other	233	3,630
	<u>655,467</u>	<u>634,261</u>
Total revenue	<u>655,467</u>	<u>634,261</u>



Notes to the Financial Statements
For the Year Ended 30 June 2015

Note 6: Expenses	2015	2014
	\$	\$
(a) Employment benefits paid to holders of office		
Wages and salaries	155,935	131,321
Superannuation	19,369	17,268
Leave and other entitlements	20,188	16,949
Separation and redundancies	-	-
Other employee expenses	-	-
	<u>195,492</u>	<u>165,538</u>
(b) Employment benefits paid to other than office holders		
Wages and salaries	160,050	167,581
Superannuation	20,765	21,330
Leave and other entitlements	26,907	24,479
Separation and redundancies	-	-
Other employee expenses	4,644	2,241
	<u>212,366</u>	<u>215,631</u>
Total remuneration and employee expenses	<u>407,858</u>	<u>381,169</u>
(c) Grants or donations		
Grants:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
	<u>-</u>	<u>-</u>
Donations:		
Total paid that were \$1,000 or less	-	100
Total paid that exceeded \$1,000	-	-
	<u>-</u>	<u>100</u>
Total grants or donations	<u>-</u>	<u>100</u>
(d) Legal costs		
Litigation	-	-
Other legal matters	-	-
	<u>-</u>	<u>-</u>
Total legal costs	<u>-</u>	<u>-</u>



**Notes to the Financial Statements
For the Year Ended 30 June 2015**

Note 6: Expenses (continued)

	2015	2014
	\$	\$
(e) Other expenses		
Conference and meeting expenses	5,990	5,613
Conference and meeting attendance fees/allowances *	1,696	1,672
Consideration to employers for payroll deductions	-	-
Events – Annual Dinner	8,777	3,980
Events – PA Professional Development Day	10,057	14,162
Events – Pharmacist Forums	2,804	-
Financial Governance Training for Office Holders	4,252	9,198
General administration	15,778	12,764
Insurance	14,169	13,768
Membership fees - organisations	4,437	3,205
Membership subscriptions (paid to National Secretariat)	98,531	97,804
Merchandising	9,470	8,956
Payroll tax	25,923	24,797
Penalties – via RO Act or RO Regulations	-	-
Printing and stationery	3,171	4,021
Rental expense	38,898	38,618
Resources	26,710	-
Remuneration to auditors	19 8,961	6,901
Telephone and communication	16,455	16,844
Other expense – Pharmacy Guild of Australia Vic Branch	-	1,977
Total other expenses	<u>296,079</u>	<u>264,280</u>

* refer to Note 17 for amounts reimbursed to branch committee members

Note 7: Cash and cash equivalents

	2015	2014
	\$	\$
(a) Reconciliation of cash		
Cash on hand	60	31
Cash at bank	<u>272,997</u>	<u>265,841</u>
	<u>273,057</u>	<u>265,872</u>

Cash at bank earns interest at floating rates based on daily bank deposit rates. The carrying amounts of cash and cash equivalents represent their fair values.



Notes to the Financial Statements
For the Year Ended 30 June 2015

Note 7: Cash and cash equivalents expenses (continued)

	2015	2014
	\$	\$
(b) Reconciliation of operating surplus after tax to the net cash flows from operations		
Operating surplus / (deficit)	12,665	(18,008)
<i>Non cash items</i>		
Depreciation	3,615	6,720
<i>Changes in assets and liabilities</i>		
Decrease / (increase) in trade and other receivables	40,079	(3,703)
Decrease / (increase) in prepayments	7,935	(3,806)
Decrease in inventories	121	6
Increase / (decrease) in trade and other payables	197	(2,184)
Increase / (decrease) in current employee provisions	13,781	(7,633)
Increase in provisions	10,212	-
(Decrease) / increase in revenue received in advance	(70,584)	11,297
Increase in non-current employee provisions	1,003	14,112
(Decrease) in non-current provisions	(11,808)	(155)
Net cash flows from / (used in) operating activities	<u>7,216</u>	<u>(3,354)</u>

Note 8: Trade and other receivables

	2015	2014
	\$	\$
Trade receivables	41,946	81,694
Accrued revenue	<u>1,845</u>	<u>2,176</u>
	<u>43,791</u>	<u>83,870</u>

Trade receivables are non-interest bearing and are generally on 30-day terms.

As at 30 June 2015, the ageing analysis of trade receivables is as follows:

	Total	0-30 days	31-60 Days PDNI*	61-90 days PDNI*	+ 91 days PDNI*	+ 91 days CI*
2015	41,946	41,946	-	-	-	-
2014	81,694	79,996	48	1,650	-	-

* Past due not impaired (PDNI)

Considered impaired (CI)

Receivables past due but not considered impaired are nil (2014: \$1,698).



**Notes to the Financial Statements
For the Year Ended 30 June 2015**

Note 9: Property, plant and equipment

	2015	2014
	\$	\$
Office equipment - at cost	5,262	5,262
Provision for depreciation	<u>(5,262)</u>	<u>(3,564)</u>
	<u>-</u>	<u>1,698</u>
Furniture & Fittings - at cost	16,247	17,458
Provision for depreciation	<u>(9,481)</u>	<u>(8,806)</u>
	<u>6,766</u>	<u>8,652</u>
IT Equipment – at cost	-	9,615
Provision for depreciation	<u>-</u>	<u>(9,615)</u>
	<u>-</u>	<u>-</u>
Total carrying amount	<u>6,766</u>	<u>10,350</u>

Reconciliation of movements

Property, plant and equipment

Carrying amount at beginning	10,350	16,614
Additions	31	456
Depreciation expense	<u>(3,615)</u>	<u>(6,720)</u>
Carrying amount at year end	<u>6,766</u>	<u>10,350</u>

Note 10: Trade and other payables

	2015	2014
	\$	\$
Accrued expenses	9,040	7,030
Consideration to employers for payroll deductions	-	-
GST payable	17,725	23,632
Legal costs	-	-
PAYG payable	6,910	5,410
Trade payables	14,394	12,447
Salaries payable – holders of office	2,255	1,335
Salaries payable – employees other than holders of office	1,931	1,348
Superannuation payable – holders of office	1,530	2,288
Superannuation payable – employees other than holders of office	<u>1,634</u>	<u>1,732</u>
	<u>55,419</u>	<u>55,222</u>

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



Notes to the Financial Statements
For the Year Ended 30 June 2015

Note 11: Employee Provisions	2015	2014
	\$	\$
(a) Office Holders		
Annual leave	7,038	6,294
Long service leave	-	-
Separation and redundancies	-	-
Other	-	-
	<u>7,038</u>	<u>6,294</u>
(b) Employees other than holders of office		
Annual leave	10,952	12,851
Long service leave	14,936	-
Separation and redundancies	-	-
Other	-	-
	<u>25,888</u>	<u>12,851</u>
Total employee provisions	<u>32,926</u>	<u>19,145</u>

Note 12: Other provisions	2015	2014
	\$	\$
Lease provision 13(d)(ii)	3,358	-
Make good 13(d)(iii)	6,854	-
	<u>10,212</u>	<u>-</u>

Note 13: Non-current liabilities – provisions	2015	2014
	\$	\$
(a) Employee provisions		
Long service leave (d)(i) - office holders	18,873	11,558
Long service leave (d)(i) - employees other than holders of office	16,266	22,578
	<u>35,139</u>	<u>34,136</u>
(b) Other provisions		
Lease provision (d)(ii)	-	5,609
Make good (d)(iii)	-	6,199
	<u>-</u>	<u>11,808</u>



Notes to the Financial Statements For the Year Ended 30 June 2015

Note 13: Non-current liabilities – provisions (continued)

(c) Movements in provisions

	<i>Lease provision</i>	<i>Make good</i>	<i>Total</i>
	\$	\$	\$
At 30 June 2014	5,609	6,199	11,808
Unwinding and discount rate adjustment	<u>(2,251)</u>	<u>655</u>	<u>(1,596)</u>
At 30 June 2015	3,358	6,854	10,212
Current 2014	-	-	-
Non-current 2014	<u>5,609</u>	<u>6,199</u>	<u>11,808</u>
	5,609	6,199	11,808
Current 2015	3,358	6,854	10,212
Non-current 2015	<u>-</u>	<u>-</u>	<u>-</u>
	3,358	6,854	10,212

(d) Nature and timing of provisions

(i) Long service leave

Refer to note 2(f)(ii) for the relevant accounting policy and a discussion of the significant estimations and assumptions applied in the measurement of this provision.

(ii) Lease provision

Refer to note 2(j) for the relevant accounting policy and a discussion of the significant estimations and assumptions applied in the measurement of this provision.

(iii) Make good

In accordance with the lease agreement with Gold Cross Products & Services Pty Limited, the ACT Branch must restore the leased premises in Canberra to its original condition at the end of the lease term in 2016.

A provision of \$6,199 was reported during the year ended 30 June 2014 in respect of the ACT Branch's obligation to remove leasehold improvements from the leased premises and is included in the carrying amount of the leasehold improvements. During the year ended 30 June 2015 the ACT Branch provided a further \$655 (2014: \$607) for this purpose. The provision has been calculated using a pre-tax discount rate of 9.12% (2014: 9.62%).

Note 14: Events after the balance sheet date

There have been no significant events that have occurred subsequent to 30 June 2015.



Notes to the Financial Statements For the Year Ended 30 June 2015

Note 15: Financial risk management objectives and policies

The ACT Branch's principal financial instruments comprise of mainly cash at bank, receivables and payables.

The main risk arising from the ACT Branch's financial instruments are interest rate risk, credit risk and liquidity risk.

Details of the significant accounting policies and methods adopted, including criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset are disclosed in Note 2 to the financial statements.

Financial Instruments

The ACT Branch manages its exposure to key financial risks, which primarily relate to interest rate risk in accordance with the ACT Branch's policies. The objective of the policy is to support the delivery of the ACT Branch's services to its members whilst protecting financial security.

The ACT Branch uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of interest rates, ageing analyses to manage credit risk, whilst liquidity risk is monitored through the development of cash flow forecasts.

Primary responsibility for identification and control of financial risks rests with the Committee members. The ACT Branch reviews and agrees policies for managing this risk and these are summarised below.

(a) Credit risk

Credit risk arises from the financial assets of the ACT Branch comprising cash and cash equivalents and trade and other receivables. The ACT Branch's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. The carrying amounts of the ACT Branch's financial assets are the same as their fair value. Exposure at balance date is presented in the following table:

Financial assets	As at 30 June	
	2015 \$	2014 \$
Cash and cash equivalents	272,997	265,872
Trade and other receivables	43,791	83,870

The ACT Branch does not hold any credit derivatives to offset its credit exposure.

The ACT Branch deals with recognised, creditworthy third parties, and as such collateral is not requested nor is it ACT Branch policy to securitise its receivables.

In addition, trade and other receivable balances are monitored on an ongoing basis with the result that the ACT Branch's exposure to bad debts is not significant. All customers are located in Australia. Credit risk in trade and other receivables is managed by having payment terms of 30 days.



**Notes to the Financial Statements
For the Year Ended 30 June 2015**

Note 15: Financial risk management objectives and policies (continued)

(a) Credit risk (continued)

Concentration of Risk

The ACT Branch minimises concentrations of credit risk in relation to trade and other receivables by undertaking transactions mainly with its members. However, all of the ACT Branch's cash is held with one financial institution. Management considers the chance the National Australia Bank defaulting on any obligation to the ACT Branch to be minimal.

(b) Liquidity risk

The exposure to liquidity risk is based on the notion that the ACT Branch will encounter difficulty in meeting its obligations associated with the financial liabilities. The ACT Branch's exposure to liquidity risk relates primarily to trade creditors. The ACT Branch has no borrowing.

The following table illustrates the exposure and maturities for financial assets and financial liabilities:

2015

	No later than one month 2015	31 to 60 days 2015	61 to 90 days 2015	>90 days 2015	Total 2015
Financial Assets					
Cash and cash equivalents	273,057	-	-	-	273,057
Trade and other receivables	41,946	-	-	-	41,946
	315,003	-	-	-	315,003
Financial Liabilities					
Trade and other payables	14,394	-	-	-	14,394
Net Maturity	300,609	-	-	-	300,609

2014

	No later than one month 2014	31 to 60 days 2014	61 to 90 days 2014	>90 days 2014	Total 2014
Financial Assets					
Cash and cash equivalents	265,872	-	-	-	265,872
Trade and other receivables	79,996	48	1,650	-	81,694
	345,868	48	1,650	-	347,566
Financial Liabilities					
Trade and other payables	12,447	-	-	-	12,447
Net Maturity	333,421	48	1,650	-	335,119



**Notes to the Financial Statements
For the Year Ended 30 June 2015**

Note 15: Financial risk management objectives and policies (continued)

(b) Liquidity risk (continued)

Fair Value

The methods for estimating fair value are outlined in the relevant notes to the financial statements.

(c) Interest rate risk

The ACT Branch's exposure to market risk pertains to interest rate risk. Interest rate risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The ACT Branch's interest rate risk relates primarily to its cash deposits with financial institutions which are subject to variable interest rates.

The ACT Branch has no debt obligations exposed to interest rate risk.

At balance date, the ACT Branch had the following mix of financial assets exposed to Australian variable interest rate risk.

	2015 \$	2014 \$
Financial Assets		
Cash and cash equivalents	273,057	265,872

At balance date, if interest rates had moved, as illustrated in the table below, with all other variables held constant, net surplus from operations and equity would have been effected as follows:

Judgements of reasonably possible movements:	Net Surplus Higher/(Lower)		Equity Higher/(Lower)	
	2015	2014	2015	2014
Domestic interest rates	\$	\$	\$	\$
+0.5% (50 basis points)	1,365	1,252	1,365	1,252
-0.5% (50 basis points)	(1,365)	(1,252)	(1,365)	(1,252)

(d) Capital Management

When managing capital, the committee's objective is to ensure the ACT Branch continues as a going concern. The capital needs of the ACT Branch are determined annually by the committee through the budgeting process.

Note 16: Contingencies

There was no material contingency at year end.



Notes to the Financial Statements For the Year Ended 30 June 2015

Note 17: Related Party Disclosures and Branch Committee Members

The Committee members of the Pharmacy Guild of Australia ACT Branch during the financial year were:

Amanda Galbraith	Branch President
Simon Blacker	Senior Branch Vice President (appointed 8 October 2014)
Robert Turner	Branch Vice President - Finance
Elise Apolloni	
Felix Chan	(resigned 8 October 2014)
Christopher Lawler	
Patrick Reid	
Catherine Rice	

The Branch Committee members were reimbursed/paid for attendances as a representative of the ACT Branch at conferences and meetings amounting to \$1,696 (2014: \$1,672) during the year.

Transactions with Other Related Parties

Commission revenue of \$61,918 (2014: \$66,814) and Training income of \$4,250 (2014: \$1,900) was received or receivable at 30 June 2015 from other entities under common control and the National Secretariat. Revenue is recognised as earned and receivable on normal commercial terms.

Other revenue received from the National Secretariat includes the following:

- Branch support amounting to \$220,000 (2014: \$220,000) for Branch subsidy; and
- Subsidies amounting to \$126,900 (2014: \$116,896) for charges against the Quality Care Pharmacy Program \$126,900 (2014: \$116,896) and \$8,500 (2014: \$-) for Member Services delivery.

Trade and other debtors as at 30 June 2015 include the following:

- Funding and reimbursements receivable from the National Secretariat amounting to \$35,750 (2014: \$61,160);
- Funding and reimbursements receivable from the Guild Insurance Limited to \$2,756 (2014: \$9,929);
- Funding and reimbursements receivable from the Gold Cross Products and Services Pty Limited amounting to \$97 (2014: \$nil); and
- Funding and reimbursements receivable from the Pharmacy Guild New South Wales Branch amounting to \$1,544 (2014: \$1,921).

The ACT Branch paid \$98,531 (2014: \$97,804) for national dues to the National Secretariat of The Pharmacy Guild of Australia.



**Notes to the Financial Statements
For the Year Ended 30 June 2015**

Note 17: Related Party Disclosures and Branch Committee Members (continued)

Other expenses paid to the National Secretariat include the following:

- Telephone and communication expenses of \$14,063 (2014: \$14,310); and
- General and administration expenses of \$3,829 (2014: \$2,911)

Expenses paid to Gold Cross Products and Services Pty Limited include the following:

- Rent of \$43,384 (2014: \$41,716);
- Telephone and communication expenses of \$1,156 (2014: \$1,441); and
- General and administration expenses of \$4,286 (2014: \$4,711)

Trade creditors as at 30 June 2015, include the following:

- General office expenses due to the National Secretariat amounting to \$3,297 (2014: \$3,984);
- General office expenses due to Gold Cross Products and Services Pty Limited amounting to \$4,956 (2014: \$4,512); and
- Insurance expenses due to Guild Insurance Limited amounting to \$3,261 (2014: \$2,934).

Note 18: Key Management Personnel Remuneration

	2015	2014
	\$	\$
(a) Short-term employment benefits		
Salary (including annual leave taken)	176,123	148,270
Annual leave accrued	7,038	6,294
Performance bonus	-	-
	<u>183,161</u>	<u>154,564</u>
(b) Post - employment benefits		
Superannuation	<u>19,369</u>	<u>17,268</u>
	19,369	17,268
(c) Other long-term benefits		
Long-service leave accrued	<u>18,873</u>	<u>11,558</u>
	18,873	11,558
(d) Termination benefits	-	-
	<u>-</u>	<u>-</u>
Total	<u><u>221,403</u></u>	<u><u>183,390</u></u>



**Notes to the Financial Statements
For the Year Ended 30 June 2015**

Note 19: Auditors' Remuneration

	2015	2014
	\$	\$
Auditors' remuneration		
Audit fees	6,901	6,901
Grant acquittals	2,060	-
	<u>8,961</u>	<u>6,901</u>

Note 20: Operating lease commitments – as lessee

The ACT Branch has entered into sub-lease agreement of its office premises with its related company, Gold Cross Products and Services Pty Limited. The agreement is for an initial period of 6 years from 1 June 2010. The future minimum rentals payable under this lease at year end date are as follows:

Within one year	36,761
After one year but not more than five years	-
After more than five years	-
Total minimum lease payments	<u>36,761</u>