



22 September 2014

Silas Banks  
State President  
Pharmacy Guild of Australia, NSW Branch  
Locked Bag 2112  
St Leonards NSW 2065

via e-mail: [guild.nsw@guild.org.au](mailto:guild.nsw@guild.org.au)

Dear Mr Banks

**Pharmacy Guild of Australia, NSW Branch  
Financial Report for the year ended 30 June 2013 - FR2013/179**

I acknowledge receipt of the financial report for the year ended 30 June 2013 for the Pharmacy Guild of Australia, NSW Branch. The amended financial report was lodged with the Fair Work Commission (FWC) on 22 September 2014.

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

**Changes to the reporting guidelines and model financial statement**

A fourth edition of the General Manager's s.253 Reporting Guidelines was gazetted on 13 June 2014. These guidelines will apply to all financial reports that end on or after 30 June 2014. A model set of financial statements for the 2013-2014 financial year is also available on the FWC website. 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.

The Reporting Guidelines and Model Financial Statements are available on the FWC website: <https://www.fwc.gov.au/registered-organisations/compliance-governance/financial-reporting>

If you have any queries regarding this letter, please contact me on (03) 8661 7675 or via email at [ken.morgan@fwc.gov.au](mailto:ken.morgan@fwc.gov.au)

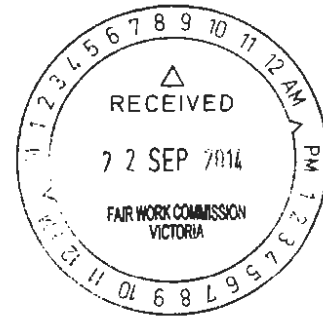
Yours sincerely

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

Ken Morgan  
Financial Reporting Advisor  
Regulatory Compliance Branch



The Pharmacy  
Guild of Australia



Mr Ken Morgan  
Fair Work Commission  
GPO Box 1994  
Melbourne VIC 3001

18 September 2014

**Financial Report for the year ended 30 June 2013 – FR2013/179**

Dear Ken

Further to your letter of 15 April 2014 and our subsequent discussions I am pleased to advise that at the Annual General Meeting of members today the amended 2013 financial report was accepted.

Please find attached the following:

- New Designated Officer's Certificate
- Copy of the Full Report

Yours sincerely

Des Malone  
Finance & Systems Compliance Manager

**New South Wales Branch**

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ABN 87 740 877 429





The Pharmacy  
Guild of Australia

**Designated Officer's Certificate**

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

Certificate for the period ended 30 June 2013

I, Paul Sinclair, being the Secretary of The Pharmacy Guild of Australia (NSW Branch) certify:

- that the documents lodged herewith are copies of the amended full report for The Pharmacy Guild of Australia (NSW Branch) referred to in s268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the amended full report was provided to members of The Pharmacy Guild of Australia (NSW Branch) on 22 August 2014; and
- that the amended full report was presented to a general meeting of members of The Pharmacy Guild of Australia (NSW Branch) on 18 September 2014; in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer ..... 

Name of prescribed designated officer: Paul Sinclair

Title of prescribed designated officer: Secretary and State President

Dated: 18 September 2014

**New South Wales Branch**

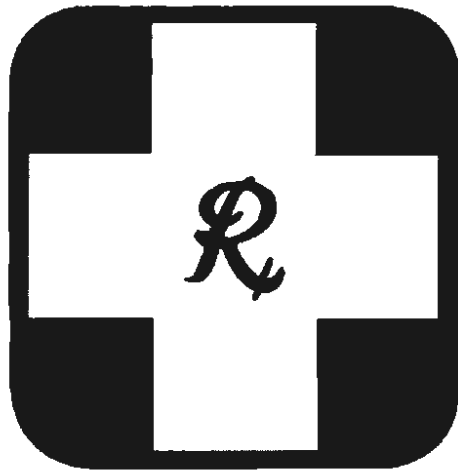
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ABN 87 740 877 429



**THE PHARMACY GUILD OF AUSTRALIA  
(NSW BRANCH)**

**ABN 87 740 877 429**



**FULL REPORT  
CONSISTING OF**

- ◆ **GENERAL PURPOSE FINANCIAL REPORT  
(FINANCIAL STATEMENTS)**
  - ◆ **AUDITOR'S REPORT**
  - ◆ **OPERATING REPORT**

**30 JUNE 2013**

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OPERATING REPORT  
FOR THE YEAR ENDED 30 JUNE 2013

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The committee presents its report on The Pharmacy Guild of Australia (NSW Branch) for the financial year ended 30 June 2013.

- (a) **Review of principal activities:**
- (i) The Pharmacy Guild of Australia (NSW Branch) is an employers' organisation servicing the needs of proprietors of independent community pharmacies and representing their interests in industrial matters.
  - (ii) The Pharmacy Guild of Australia (NSW Branch) has continued to assist the National Council and the National Executive of The Pharmacy Guild of Australia in carrying out the overall policy and objectives of the Guild.
  - (iii) Included in the Annual Report are the various reports compiled by The Pharmacy Guild of Australia (NSW Branch) State President, Branch Director and Officers outlining the activities for the year. There were no significant changes in the nature of these activities during the year under review.
- (b) **Significant changes in financial affairs:**  
There have been no significant changes during the year.
- (c) **Right of members to resign:**  
Under Section 174 of the Fair Work (Registered Organisations) Act 2009, a member may resign from membership by written notice addressed and delivered to the Branch Director in accordance with Rule 36 of the Guild's Constitution.
- (d) **Officers & employees who are superannuation fund trustee(s) or director of a company that is a superannuation fund trustee:**  
No officer or employee of The Pharmacy Guild of Australia (NSW Branch) holds a position as a trustee or director of a superannuation entity or exempt public sector superannuation scheme where the criterion for holding such position is that they are an officer or member of an organisation.
- (e) **Number of members:**  
As at 30 June 2013 the number of members of The Pharmacy Guild of Australia (NSW Branch) was 1,259 including Honorary Life & 50 Year Life Members.
- (f) **Number of employees:**  
As at 30 June 2013 the number of employees of The Pharmacy Guild of Australia (NSW Branch) was 38.
- (g) **Names of Committee of Management members and period positions held during the financial year:**  
In accordance with Regulation 159(c) of the Fair Work (Registered Organisations) Regulations 2009 the following persons were members of the Branch Committee during the entire financial year:  
**Silas Banks** - Chair for Executive & Branch Committees, Branch President & National Councillor (resigned as Chair for Executive & Branch Committees and Branch President on 1 October 2013)  
**Paul Sinclair** - Branch Vice President, National Councillor, Executive Committee Member & Branch Committee Member (appointed as Chair for Executive & Branch Committees and Branch President on 1 October 2013)  
**Mario Barone** - Branch Committee Member  
**John Black** - Branch Committee Member  
**Mark Douglass** - Branch Committee Member & Alternate National Councillor  
**Gregory Everett** - Branch Committee Member  
**Timothy Hewitt** - Branch Committee Member & Alternate National Councillor

OPERATING REPORT  
FOR THE YEAR ENDED 30 JUNE 2013

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**Anthony Lawler** - Branch Committee Member  
**Denis Leahy** - Branch Vice President Finance, Executive Committee Member & Branch Committee Member  
**Binh Luu** - Branch Committee Member  
**Peter McBeath** - Branch Vice President, National Councillor, Executive Committee Member & Branch Committee Member  
**George Mendria** - Branch Committee Member  
**Rick Samimi** - Branch Committee Member  
**Michelle Spiro** - Branch Committee Member  
**Richard Walsh** - Branch Committee Member & Alternate National Councillor

(h) **Officers & employees who are directors of a company or a member of a board:**

Each officer & employee of The Pharmacy Guild of Australia (NSW Branch) was requested to advise if they were a director of a company or a member of a board in accordance with Fair Work Australia reporting guideline 37 for the purposes of Section 253 of the Fair Work (Registered Organisations) Act 2009.

Based on the information received I can advise the following:

Where the officer or employee holds that position because they are an officer or employee of The Pharmacy Guild of Australia (NSW Branch) & were nominated for the position by The Pharmacy Guild of Australia (NSW Branch) or by a peak council

**Officers**

Each officer mentioned in (g) above was a company director of Pharmacy Guild Services (NSW) Pty Ltd whose principal activity is the ultimate holding company for Pharmacy Guild Sales & Valuations (NSW) Pty Ltd.

Silas Banks, Peter McBeath & Paul Sinclair are elected members of the National Council of The Pharmacy Guild of Australia whose principal activity is to lay down all Guild policies, decide major issues & amend the Guild Constitution subject to referendum where required.

**Employees**

Ian Campbell

Director of The Pharmacy Guild Sales & Valuations (NSW) Pty Ltd. Principal activities of the company are pharmacy sales & valuations.

Where the officer or employee holds that position because they are not an officer or employee of The Pharmacy Guild of Australia (NSW Branch) & were not nominated for the position by The Pharmacy Guild of Australia (NSW Branch) or by a peak council

**Officers**

John Black

Board member of Casino RSM Club Pty Ltd whose principal activities are to operate a community club.

Gregory Everett

Committee member of Newcastle Hunter Valley Pharmacist Association whose principal activities are member services.

Director of Carhan Pty Ltd whose principal activities are management services.



OPERATING REPORT  
FOR THE YEAR ENDED 30 JUNE 2013

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Director of GW & RH Everett Investments Pty Ltd whose principal activities are trustee for Everett Unit Trust.

Director of Quizindi Pharmaceuticals Pty Ltd whose principal activities are management services

Director of Swansea Pharmaceuticals Pty Ltd whose principal activities are management services.

Director of Tereve Investments Pty Ltd whose principal activities are trustee for Tereve Super Fund.

Director of Tereve Wholesale Pty Ltd whose principal activities are trustee for G W Everett Family Trust.

Director of Woodrising Pharmacy Pty Ltd whose principal activities are management services.

Denis Leahy

Director of DM & JM Enterprises Pty Ltd whose principal activities are pharmacotherapy consultancy.

Binh Luu

Director of B.H.Luu Pty Ltd whose principal activities are a service company for a pharmacy business.

Director of Mediadvice Pty Ltd whose principal activities are pharmacy marketing & consultancy.

Rick Samimi

Board member of Australian College of Pharmacy whose principal activities are education & management training to the pharmacy sector.

Board member of Immigration Advice & Rights Centre whose principal activities are immigration advice & assistance.

Paul Sinclair

Board member of Asthma Foundation NSW whose principal activities are providing asthma information, education, training & advocacy in the community & promoting research.

Board member of Kids of Macarthur Health Foundation whose principal activities are improving health care provision for every child living in that region.

Chairman of the Board of Myrtle Cottage Group whose principal activities are providing activities for the frail aged, younger people with disabilities & respite care for people with dementia.



**Paul Sinclair**  
**State President**  
20 August 2014

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 \$	2012 \$
<b>REVENUE</b>			
<b>Grants</b>			
Methadone incentive scheme funding		2,003,833	1,450,230
Needle & Syringe exchange funding		1,427,040	1,159,853
Quit for Life		7,358	-
5CPA funding		201,760	194,000
Pharmacy Health Checks funding		273,145	371,027
WorkCover Assist funding		-	100,124
<b>Donations</b>		-	-
<b>Other revenue</b>			
QCPP funding		791,100	501,723
QUMAX funding		101,170	215,230
Value of Community Pharmacy funding		39,445	71,546
Advertising		87,154	87,245
Commission income		694,462	695,428
Gain on disposal of asset		6,014	-
HMR Report Sales		39,940	55,230
Interest		243,997	278,417
Pharmacy business services income		449,577	389,800
Promotional income		661,997	601,669
Rent		255,437	187,498
Subscriptions		3,381,203	3,283,064
Temperature verification fees		341,560	228,500
Training services		782,060	793,584
Other revenue from ordinary activities		520,223	663,767
<b>Revenues from ordinary activities</b>		<b>12,308,475</b>	<b>11,327,935</b>
<b>EXPENSES</b>			
<b>Depreciation</b>			
Buildings and leasehold improvements		31,875	36,000
Property, plant and equipment		87,850	99,291
Motor Vehicles		-	17,478
Intangibles		16,406	27,071
		<u>136,131</u>	<u>179,840</u>
<b>Employee Benefit Expense</b>			
Contract wages paid to employee contractors		458,866	308,917
Fringe Benefits Tax		52,112	57,886
Leave provisions		(180,250)	142,014
Salaries and Allowances	4	2,931,668	2,544,093
Superannuation	4	267,060	343,783
Temporary staff		99,761	30,257
		<u>3,629,217</u>	<u>3,426,950</u>
<b>Other Expenses</b>			
Administration services		98,777	136,259
Audit fees		48,591	55,159
Capitation fees – National Council Dues		1,868,256	1,802,245
Cleaning		29,015	32,765
Conference and meeting expenses		3,993	5,728
Consultancy fees		55,136	114,275
Donations		24,949	-
Electricity		46,729	40,142
Furniture hire		122,077	120,015
Insurance		101,363	120,259
Legal costs – other legal matters		15,552	40,498
Legal costs – litigation		-	-
<b>Balance carried forward</b>		<b>2,414,438</b>	<b>2,467,345</b>

**STATEMENT OF COMPREHENSIVE INCOME  
 FOR THE YEAR ENDED 30 JUNE 2013 (Cont'd)**

	2013	2012
	\$	\$
<b>Other Expenses (Cont'd)</b>		
<b>Balance brought forward</b>	<b>2,414,438</b>	<b>2,467,345</b>
Loss on disposal of asset	19,370	-
Maintenance	139,667	97,900
Methadone incentive payments	1,787,800	1,214,316
Needle & syringe exchange contractor fees	199,574	176,199
Needle & syringe exchange payments	888,461	684,711
Payroll tax	166,116	146,952
Pharmacy Health Checks Payments	74,545	272,724
Poisons schedule costs	34,850	36,361
Postage & courier costs	113,589	100,791
Printing & stationery	382,643	390,921
Telephone, fax & internet costs	125,422	152,718
Travel, motor vehicle & accommodation expenses	226,804	257,590
Venue hire	341,994	362,683
Other expenses from ordinary activities	1,370,252	1,352,950
	<u>8,285,525</u>	<u>7,714,161</u>
 Total Expenditure	 <u>12,050,873</u>	 <u>11,320,951</u>
 Net Surplus from ordinary activities	 <u>257,602</u>	 <u>6,984</u>
 <b>OTHER COMPREHENSIVE INCOME</b>		
Net (loss) on revaluation of land and building	<u>(130,355)</u>	<u>(174,000)</u>
Other comprehensive income for the period	<u>(130,355)</u>	<u>(174,000)</u>
 <b>Total comprehensive income for the period</b>	 <u><b>127,247</b></u>	 <u><b>(167,016)</b></u>

These statements should be read in conjunction with the accompanying notes

STATEMENT OF FINANCIAL POSITION  
 AS AT 30 JUNE 2013

	Notes	2013 \$	2012 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	2,956,234	2,893,892
Trade and other receivables	6	3,012,212	2,690,829
Inventories	7	8,023	20,491
Other assets	8	60,639	107,637
Financial assets	9	4,000,000	3,800,000
<b>TOTAL CURRENT ASSETS</b>		<b>10,037,108</b>	<b>9,512,849</b>
<b>NON-CURRENT ASSETS</b>			
Financial assets	9	34	34
Property, plant and equipment	10	4,688,144	4,949,335
Intangible assets	11	16,854	22,170
<b>TOTAL NON-CURRENT ASSETS</b>		<b>4,705,032</b>	<b>4,971,539</b>
<b>TOTAL ASSETS</b>		<b>14,742,140</b>	<b>14,484,388</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	2,171,371	1,836,051
Short-term provisions	13	491,582	682,680
Other liabilities	14	3,831,421	3,855,986
<b>TOTAL CURRENT LIABILITIES</b>		<b>6,494,374</b>	<b>6,374,717</b>
<b>NON-CURRENT LIABILITIES</b>			
Long-term provisions	13	26,053	15,205
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>26,053</b>	<b>15,205</b>
<b>TOTAL LIABILITIES</b>		<b>6,520,427</b>	<b>6,389,922</b>
<b>NET ASSETS</b>		<b>8,221,713</b>	<b>8,094,466</b>
<b>EQUITY</b>			
Reserves	15	496,632	626,987
Retained earnings		7,725,081	7,467,479
<b>TOTAL EQUITY</b>		<b>8,221,713</b>	<b>8,094,466</b>

These statements should be read in conjunction with the accompanying notes

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STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2013

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
<b>Restated balance at 30 June 2011</b>	7,460,495	800,987	8,261,482
Profit for the year ended 30 June 2012	6,984	-	6,984
Revaluation decrement	-	(174,000)	(174,000)
Total comprehensive income for the year	6,984	(174,000)	(167,016)
<b>Closing Balance at 30 June 2012</b>	7,467,479	626,987	8,094,466
Profit for the year ended 30 June 2013	257,602	-	257,602
Revaluation decrement	-	(130,355)	(130,355)
Total comprehensive income for the year	257,602	(130,355)	127,247
<b>Closing Balance at 30 June 2013</b>	7,725,081	496,632	8,221,713

These statements should be read in conjunction with the accompanying notes

STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 \$	2012 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		11,172,296	11,409,273
Receipts from National Secretariat and Other Branches	19(c)	1,555,883	1,487,531
Payments to suppliers and employees		(10,433,080)	(9,875,261)
Payments to National Secretariat and Other Branches	19(c)	(2,263,419)	(1,876,899)
Interest received		243,997	278,417
Net cash provided by operating activities	19(b)	275,677	1,423,061
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for property, plant and equipment		(32,821)	(48,967)
Proceeds from sale of property plant and equipment		19,486	-
Purchase of financial assets		(200,000)	-
Net cash used in investing activities		(213,335)	(48,967)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Net cash used in financing activities		-	-
Net increase in cash and cash equivalents		62,342	1,374,094
Cash and cash equivalents at the beginning of year		2,893,892	1,519,798
Cash and cash equivalents at the end of year	19(a)	2,956,234	2,893,892

These statements should be read in conjunction with the accompanying notes

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013

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**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Basis of Preparation**

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the disclosure requirements of the Fair Work (Registered Organisations) Act 2009 and Fair Work (Registered Organisations) Regulations 2009. The Pharmacy Guild of Australia (NSW) Branch is a not-for-profit entity for the purposes of preparing the financial statements.

The reporting guidelines made under section 255 of the Fair Work (Registered Organisations) Act 2009 (the RO Act) require all reporting units to apply the Tier 1 reporting requirements as per Australian Accounting Standard AASB 1053 Application for Tiers of Australian Accounting Standards. As such the branch committee of management have prepared a full set of financial statements with all disclosure requirements. In the prior year the committee had early adopted Australian Accounting Standards – Reduced Disclosure Requirements but this is no longer permissible. This has had no material impact on amounts recognised in the financial statements because it merely requires a more detailed note disclosure on financial risk management than if these financial statements were prepared using Australian Accounting Standards – Reduced Disclosure Requirements.

The following is a summary of the material accounting policies adopted by the organisation in the preparation of the financial report. The accounting policies have been consistently applied unless otherwise stated.

The accounting policies set out below have been consistently applied to all years presented.

*Reporting Basis and Conventions*

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

**Reissued Financial Report**

This reissued financial report replaces the previously issued financial report approved on 16 August 2013. The reason for the reissue of the financial report was to include additional disclosures in the notes to the financial report to comply with the reporting requirements under the Fair Work (Registered Organisations) Act 2009.

**Accounting Policies**

**(a) Income Tax**

Under Section 50-15 of the Income Tax Assessment Act 1997, the income of Pharmacy Guild of Australia (NSW Branch) ("Guild") is exempt from income tax.

**(b) Inventories**

Inventories are measured at the lower of cost and net realisable value. Costs are assigned to individual items on a first-in first-out basis.

**(c) Property, Plant and Equipment**

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

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013

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1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(c) **Property, Plant and Equipment (cont)**

Property, plant and equipment are measured on a fair value basis less depreciation and impairment losses. In the prior year the Branch Committee approved a change in accounting policy with respect to the subsequent measurement of its land and building assets from the cost model to the fair value model, with effect from 1 July 2011. The subsequent measurement using the fair value model is to assist the National Secretariat in their consolidated reporting processes as they have adopted the fair value model. Revaluation entries were processed to the asset revaluation reserve.

Works of art are re-valued every 3 years at fair value.

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

**Depreciation**

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

The depreciation rates used for each class of assets are:

Class of Fixed Asset	Depreciation Rate
Buildings	2.50%
Plant and equipment	10-33%
Motor vehicles	20%

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each financial year. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income. When re-valued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(d) **Intangibles**

Software and implementation costs are treated as intangible assets.

(e) **Employee Benefits**

A provision is made for the Guild's liability for employee benefits arising from services rendered by employees and officers to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus any related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by the Guild to an employee superannuation fund and are charged as expenses when incurred.

Amounts accrued for long service leave benefits are calculated in accordance with The National Employment Standards, awards and negotiated agreements.



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013

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**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**(f) Cash and Cash Equivalents**

For the purposes of the statement of cash flows, cash includes deposits at call which are readily convertible to cash on hand and which are used in the cash management function on a day to day basis, net of outstanding bank overdrafts.

**(g) Revenue**

Revenue from subscriptions is accounted for on an accruals basis and is recorded as revenue in the year to which it relates. Revenue from the sale of goods is recognised upon the delivery of the goods to the customer. Revenue from the rendering of a service is recognised upon the delivery of the service to customers. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

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

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown exclusive of GST.

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

**(i) Financial Assets**

*Recognition*

Financial assets are initially measured at cost on trade debt, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

*Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

*Held-to-maturity investments*

These investments have fixed maturities, and it is the entity's intention to hold these investments to maturity. Any held-to-maturity investments held by the entity are stated at amortised cost using the effective interest rate method.

*Financial liabilities*

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

**(j) Impairment of Assets**

At each reporting date, the group reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

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

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

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(k) **Government Grants**

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants are recognised as revenue subject to conditions being met.

(l) **Comparative Figures**

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

(m) **Critical Accounting Estimates and Judgments**

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

*Key estimates - Impairment*

The Branch Committee assesses impairment at each reporting date by evaluating conditions specific to the Guild that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined.

(n) **Accounting Standards Issued But Not Yet Effective**

There have been no accounting standards issued which have a financial impact on the financial report in future periods and which are not yet effective.

(o) **Going concern**

The Pharmacy Guild of Australia (NSW Branch) has agreed to provide The New South Wales Pharmacy Guild with financial support to ensure they can continue as a going concern. The Pharmacy Guild of Australia (NSW Branch) has an ongoing agreement to supply financial and administration support to The New South Wales Pharmacy Guild, and during the year donated \$2,700 (2012: \$2,700) to support the entity.

2. ORGANISATIONAL INFORMATION

The financial report of The Pharmacy Guild of Australia (NSW Branch) for the year ended 30 June 2013 was authorized for issue in accordance with a resolution passed by the Committee of Management.

The Pharmacy Guild of Australia is an organization registered under the Fair Work (Registered Organisations) Act 2009. The nature of the operations and principal activities of the Guild are described in the Operating Report.

The principal place of business of The Pharmacy Guild of Australia (NSW Branch) is 84 Christie Street, St Leonards, NSW 2065.

3. KEY MANAGEMENT PERSONNEL COMPENSATION

	Salary & Bonus \$	Superannuation \$	Non-Cash Benefits \$	Other \$	Long-term Benefits \$	Total \$
<b>2013</b>						
<b>Total</b>						
<b>Compensation</b>	1,428,219	139,628	22,018	67,639	-	1,657,504
<b>2012</b>						
<b>Total</b>						
<b>Compensation</b>	1,113,405	189,655	19,460	67,563	-	1,390,083

The number of people included as key management personnel is 14 (2012: 13).

NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2013

	2013	2012
	\$	\$
<b>4. EMPLOYEE EXPENSES</b>		
<b>Holders of office:</b>		
- Wages and salaries	-	-
- Superannuation	-	-
- Leave and other entitlements	-	-
- Separation and redundancies	-	-
- Other employee expenses	-	-
<b>Subtotal employee expenses – holders of office</b>	<u>-</u>	<u>-</u>
<b>Employees other than office holders</b>		
- Wages and salaries	2,931,668	2,544,093
- Superannuation	267,060	343,783
- Leave and other entitlements	-	-
- Separation and redundancies	-	-
- Other employee expenses	-	-
<b>Subtotal employee expenses – employees other than office holders</b>	<u>3,198,728</u>	<u>2,887,876</u>
<b>Total employee expenses</b>	<u>3,198,728</u>	<u>2,887,876</u>
<b>5. CASH AND CASH EQUIVALENTS</b>		
Cash at bank and on hand	2,956,234	2,893,892
	<u>2,956,234</u>	<u>2,893,892</u>
<b>6. TRADE AND OTHER RECEIVABLES</b>		
<b>CURRENT</b>		
Trade debtors		
- National Secretariat and related party receivables	26,244	267,902
- Other debtors	2,746,526	2,045,624
Provision for doubtful debts	(28,915)	(10,899)
	<u>2,743,855</u>	<u>2,302,627</u>
Sundry debtors	268,357	388,202
	<u>3,012,212</u>	<u>2,690,829</u>
Current trade and term receivables are generally on 30 day terms except for branch membership subscriptions which members can elect to pay by installments in accordance within the Guild's Constitution. Membership subscriptions are not included as revenue until payments are actually received. A provision for impairment is recognised when there is objective evidence that an individual trade or term receivable is impaired.		
<b>7. INVENTORIES</b>		
Raw materials and stores	<u>8,023</u>	<u>20,491</u>
<b>8. OTHER CURRENT ASSETS</b>		
Prepayments	<u>60,639</u>	<u>107,637</u>

NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2013

	2013 \$	2012 \$
<b>9. FINANCIAL ASSETS</b>		
<b>CURRENT</b>		
Bank term deposits	<u>4,000,000</u>	<u>3,800,000</u>
There is a Bank Guarantee for \$420,000 f/o Australian Skills Quality Authority secured by the term deposit. This is to ensure compliance with protecting student fees.		
<b>NON-CURRENT</b>		
Shares in controlled entities – at cost	16 <u>34</u>	<u>34</u>
<b>10. PROPERTY, PLANT AND EQUIPMENT</b>		
Freehold land, at fair value	<u>3,300,000</u> <u>3,300,000</u>	<u>3,300,000</u> <u>3,300,000</u>
Buildings, at fair value	<u>1,275,000</u> <u>1,275,000</u>	<u>1,440,000</u> <u>1,440,000</u>
Total land and buildings	<u>4,575,000</u>	<u>4,740,000</u>
Plant and equipment, at cost	1,036,593	1,029,659
Accumulated depreciation	<u>(993,639)</u> <u>42,954</u>	<u>(920,586)</u> <u>109,073</u>
Motor vehicles, at cost	-	98,380
Accumulated depreciation	<u>-</u> <u>-</u>	<u>(65,538)</u> <u>32,842</u>
Works of art, at fair value	<u>70,190</u> <u>70,190</u>	<u>67,420</u> <u>67,420</u>
Total property, plant and equipment	<u>4,688,144</u>	<u>4,949,335</u>

The valuation for land and building assets was completed by Certified Practising Valuer, Ian Handley (Registered Valuer 1135), of Handley Partners Property with the date of inspection of the assets being performed on 13 June 2013 for the 30 June 2013 value. The same valuer performed the revaluation for the land and buildings for the year ended 30 June 2012.

Works of Art are recorded at a fair market value in continued use and are revalued every three years. On 22 April 2013, Mr. Colin McWilliam, NCJV Fine Arts Division Registered Valuer No. 384, of McWilliam & Associates Pty Ltd revalued the Works of Art at \$70,190. The revaluation was credited to the asset revaluation reserve.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013

10. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Movements in carrying amounts

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

2013

	Opening balance	Additions	Re-valuations	Disposals	Depreciation	Closing balance
	\$	\$	\$	\$	\$	\$
Freehold Land	3,300,000	-	-	-	-	3,300,000
Buildings	1,440,000	-	(133,125)	-	(31,875)	1,275,000
Plant and equipment	109,073	21,731	-	-	(87,850)	42,954
Motor vehicles	32,842	-	-	(32,842)	-	-
Works of art	67,420	-	2,770	-	-	70,190
<b>Total</b>	<b>4,949,335</b>	<b>21,731</b>	<b>(130,355)</b>	<b>(32,842)</b>	<b>(119,725)</b>	<b>4,688,144</b>

2012

	Opening balance	Additions	Re-valuations	Disposals	Depreciation	Closing balance
	\$	\$	\$	\$	\$	\$
Freehold Land	3,500,000	-	(200,000)	-	-	3,300,000
Buildings	1,450,000	-	26,000	-	(36,000)	1,440,000
Plant and equipment	178,729	29,635	-	-	(99,291)	109,073
Motor vehicles	50,320	-	-	-	(17,478)	32,842
Works of art	67,420	-	-	-	-	67,420
<b>Total</b>	<b>5,246,469</b>	<b>29,635</b>	<b>(174,000)</b>	<b>-</b>	<b>(152,769)</b>	<b>4,949,335</b>

11. INTANGIBLE ASSETS

	2013	2012
	\$	\$
Software, at cost	146,063	134,973
Accumulated amortisation	(129,209)	(112,803)
	<u>16,854</u>	<u>22,170</u>

	Opening balance	Additions	Re-valuations	Disposals	Amortisation	Closing balance
	\$	\$	\$	\$	\$	\$
Software	22,170	11,090	-	-	(16,406)	16,854
<b>Total</b>	<b>22,170</b>	<b>11,090</b>	<b>-</b>	<b>-</b>	<b>(16,406)</b>	<b>16,854</b>

12. TRADE AND OTHER PAYABLES

	2013	2012
	\$	\$
<b>CURRENT</b>		
Trade creditors		
- National Secretariat and Other Branches	158,762	147,457
- Other creditors	958,984	483,741
Accrued charges	1,053,625	919,965
Sundry creditors	-	284,888
	<u>2,171,371</u>	<u>1,836,051</u>

NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2013

	2013 \$	2012 \$
<b>13. PROVISIONS</b>		
<b>Holders of office:</b>		
Annual Leave	-	-
Long Service Leave	-	-
Separations and redundancies	-	-
Other	-	-
<b>Subtotal employee provisions – holders of office</b>	<u>-</u>	<u>-</u>
<b>Employees other than office holders:</b>		
Annual Leave	249,966	450,911
Long Service Leave	267,669	246,944
Separations and redundancies	-	-
Other	-	-
<b>Subtotal employee provisions – employees other than office holders</b>	<u>517,635</u>	<u>697,855</u>
<b>Total employee provisions</b>	<u>517,635</u>	<u>697,855</u>
Current	491,582	682,680
Non Current	26,053	15,205
<b>Total employee provisions</b>	<u>517,635</u>	<u>697,855</u>

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

**14. OTHER CURRENT LIABILITIES**

Deferred income	2,269,371	1,849,550
Subscriptions in advance	1,351,811	1,615,954
Monies received in advance	210,239	390,482
	<u>3,831,421</u>	<u>3,855,986</u>

**15. RESERVES**

Asset revaluation reserve	<u>496,632</u>	<u>626,987</u>
<b>Asset revaluation reserve</b>		
Opening balance	626,987	800,987
Revaluation of land and buildings	(133,125)	(174,000)
Revaluation of works of art	2,770	-
Closing balance	<u>496,632</u>	<u>626,987</u>

The asset revaluation reserve records revaluations of non-current assets.

NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2013

16. CONTROLLED ENTITIES

Name	Country of Incorporation	% Owned		Investment At Cost		Contribution to Operating Surplus	
		2013	2012	2013	2012	2013	2012
		\$	%	\$	\$	\$	\$
Pharmacy Guild Services (NSW) Pty Ltd	Australia	100	100	22	22	Nil	Nil
Pharmacy Guild Sales & Valuations (NSW) Pty Ltd	Australia	100	100	12	12	Nil	Nil

Pharmacy Guild Services (NSW) Pty Ltd is the holding company for Pharmacy Guild Sales & Valuations (NSW) Pty Ltd.

17. RELATED PARTY INFORMATION

The Branch is part of an Australia wide organisation. Sales to and purchases from other Branches and the National Secretariat were made on normal commercial terms of trade during the year and amounted in aggregate to:

National Secretariat	
Sales	\$1,360,060
Purchases	\$2,205,824

Guild Branches	
Sales	\$195,823
Purchases	\$57,595

Branch committee members who held office during the financial year were:

S Banks	M Barone	J Black	M Douglass	G Everett
T Hewitt	A Lawler	D Leahy	B Luu	P McBeath
G Mendria	R Samimi	P Sinclair	M Spiro	R Walsh

The aggregate amount of remuneration paid to officers during the year is disclosed on the statement of comprehensive income.

The aggregate amount paid during the financial year to a superannuation plan in respect of elected full time officials is nil (2012: Nil).

There have been no other transactions between the Officers and the Branch other than those relating to their membership of the Branch and the reimbursement by the Branch in respect of expenses incurred by them in the performance of their duties. Such transactions have been on conditions no more favourable than those which it is reasonable to expect would have been adopted by parties at arm's length.

18. INFORMATION TO BE PROVIDED TO MEMBERS OR GENERAL MANAGER

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, Chapter 8, Division 7, Section 272, the attention of members is drawn to the following provisions:

Subsection 272 (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.

Subsection 272 (2)

The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.

Subsection 272 (3)

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

NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2013

	2013 \$	2012 \$
<b>19. CASH FLOW INFORMATION</b>		
<b>(a) Reconciliation of Cash</b>		
Cash at the end of financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:		
Cash on hand	500	500
Cash at bank	2,955,734	2,893,392
Cash balance as per statement of cash flows	<u>2,956,234</u>	<u>2,893,892</u>
<b>(b) Reconciliation of net cash flows from operating activities with operating profit after income tax</b>		
Operating surplus	257,602	6,984
Non-cash flows in operating profit		
Depreciation and amortisation	136,131	179,840
Net Loss on sale of property plant and equipment	13,356	-
Changes in assets and liabilities, net of the effects of purchase and disposals of controlled entities		
Decrease / (increase) in trade and other receivables	(321,383)	500,182
Decrease / (increase) in prepaid expenses	46,998	36,289
Decrease / (increase) in inventories	12,468	(5,702)
Increase / (decrease) in creditors	335,320	258,853
Increase / (decrease) in other current financial liabilities	(24,565)	309,897
Increase / (decrease) in provisions – employee entitlements	(180,250)	136,718
Cash flows from operations	<u>275,677</u>	<u>1,423,061</u>
<b>(c) Cash flow information</b>		
<b>Cash inflows</b>		
The Pharmacy Guild of Australia (National Secretariat)	1,360,060	1,470,303
The Pharmacy Guild of Australia (Victoria Branch)	178,673	6,335
The Pharmacy Guild of Australia (Queensland Branch)	14,288	6,158
The Pharmacy Guild of Australia (Northern Territory Branch)	57	-
The Pharmacy Guild of Australia (South Australia Branch)	1,358	2,180
The Pharmacy Guild of Australia (Western Australia Branch)	1,192	1,990
The Pharmacy Guild of Australia (Tasmania Branch)	255	565
<b>Total cash inflows</b>	<u>1,555,883</u>	<u>1,487,531</u>
<b>Cash outflows</b>		
The Pharmacy Guild of Australia (National Secretariat)	2,205,824	1,841,860
The Pharmacy Guild of Australia (ACT Branch)	9,039	8,927
The Pharmacy Guild of Australia (Victoria Branch)	10,994	12,528
The Pharmacy Guild of Australia (Queensland Branch)	32,979	5,369
The Pharmacy Guild of Australia (Northern Territory Branch)	42	147
The Pharmacy Guild of Australia (South Australia Branch)	2,368	2,085
The Pharmacy Guild of Australia (Western Australia Branch)	1,700	2,901
The Pharmacy Guild of Australia (Tasmania Branch)	473	3,082
<b>Total cash outflows</b>	<u>2,263,419</u>	<u>1,876,899</u>



NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2013

**20. METHADONE INCENTIVE SCHEME, NEEDLE & SYRING EXCHANGE & PHARMACY HEALTH CHECKS "KNOW YOUR NUMBERS"**

These programs operate throughout the state and are wholly funded by the NSW Government.

**21. FINANCIAL RISK MANAGEMENT**

**(a) Capital Management**

The Guild's financial instruments consist of deposits with banks and accounts receivable and payable. Branch funds are invested in accordance with the Guild's Constitution whereby all monies are deposited with an accredited bank. The Branch manages liquidity risk by monitoring forecast cash flows and ensuring that adequate surplus funds are maintained to meet financial obligations.

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

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

**(b) Credit Risk**

The Guild continuously monitors defaults by customers and other counterparties and incorporates this information into its credit risk controls. The Guild's management considers that all of the above financial assets are not impaired for each reporting date and are of good quality, including those past due.

The credit risk for liquid funds is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

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

A provision for impairment totalling \$28,915 has been made to recognise some difficulty in collectability of some invoices issued. A provision for impairment is recognised when there is objective evidence that an individual trade or term receivable is impaired. No write-offs have been necessary during the current year.

No trade and other receivables are deemed to be impaired. Collateral is not held as security, nor is it the Guild's policy to transfer (on-sell) receivables. In addition some of the unimpaired trade receivables are past due as at reporting date. The ageing of financial assets past due is as follows:

	2013	2012
	\$	\$
0-30 days	2,630,277	355,816
31-60 days PDNI*	16,393	1,939,643
31-60 days CI*	-	-
61-90 days PDNI*	12,498	3,535
61-90 days CI*	-	-
+91 days PDNI*	84,687	3,633
+91 days CI*	28,915	10,899
	<u>2,772,770</u>	<u>2,313,526</u>

PDNI\* Past due not considered impaired

CI\* Considered Impairment

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013

21. FINANCIAL RISK MANAGEMENT (cont'd)

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes to the financial statements. The organisation has material credit risk exposure within the pharmaceutical industry under financial instruments entered into by the organisation.

(b) Credit Risk (cont)

The financial assets of the organisation are as follows:

	Note	Weighted Average Effective Interest Rate		Floating & Fixed Interest Rate		Non-Interest bearing	
		2013 %	2012 %	2013 \$	2012 \$	2013 \$	2012 \$
<b>FINANCIAL ASSETS</b>							
Cash at bank	5	3.80	5.01	2,956,234	2,893,892	-	-
Bank term deposit	9	5.03	6.13	4,000,000	3,800,000	-	-
Trade and other receivables	6	-	-	-	-	2,743,855	2,302,627
Other debtors	6	-	-	-	-	268,357	388,202
<b>TOTAL FINANCIAL ASSETS</b>				<b>6,956,234</b>	<b>6,693,892</b>	<b>3,012,212</b>	<b>2,690,829</b>
<b>FINANCIAL LIABILITIES</b>							
Trade and other payables	12	-	-	-	-	1,117,746	916,086
Accrued charges	12	-	-	-	-	1,053,625	919,965
<b>TOTAL FINANCIAL LIABILITIES</b>				<b>-</b>	<b>-</b>	<b>2,171,371</b>	<b>1,836,051</b>

(c) Sensitivity Analysis

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

The following table illustrates the sensitivity of the net result for the year and the equity to a reasonably possible change in interest rates of +1% and -1% (2012: +/-1%), with the effect from the beginning of the year. These changes are considered to be reasonably possible based on observations of current market conditions.

The calculations are based on the Guild's financial instruments held at each balance date and exclude monies held in 'at call' accounts for the Methadone Incentive Scheme and Needle and Syringe Exchange government funded programs as bank interest received for these funds must be paid to the NSW State Government. All other variables are held constant.

	2013 \$	2013 \$	2012 \$	2012 \$
	+1%	-1%	+1%	-1%
Net result for the year	69,562	(69,562)	66,938	(66,938)
Equity	69,562	(69,562)	66,938	(66,938)

The Guild does not have any foreign currency or other market exposures.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013

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**22. EVENTS SUBSEQUENT TO BALANCE DATE**

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the entity, the results of those operations, or the state of affairs of the economic entity in future financial years.

**23. CONTINGENT LIABILITIES**

As at 30 June 2013 there are no contingent liabilities (2012: Nil).

**24. NSW GOVERNMENT FUNDED PROGRAMS**

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

- Methadone Incentive Scheme
- Needle & Syringe Exchange
- Pharmacy Health Checks 'Know Your Numbers'

**25. SPECIFIC REQUIREMENTS OF THE FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009**

Pursuant to the reporting guidelines of Section 253 of the Fair Work (Registered Organisations) Act 2009 The Pharmacy Guild of Australia (NSW Branch) notes that:

- The reporting entity is not reliant on agreed financial support of another reporting unit;
- The reporting entity has not acquired an asset or a liability during the year as a result of an amalgamation, or other restructure, or business combination;
- The reporting entity has not received any capitation fees;
- The reporting entity has not received financial support from another reporting unit;
- The reporting entity has not incurred fees as consideration for employers making payroll deductions of membership subscriptions;
- The reporting entity has not paid fees or allowances to persons to attend a conferences or other meeting as a representative of the reporting unit;
- The reporting entity has not had penalties imposed under the RO Act;
- The reporting entity has no payables to employers as consideration for the employers making payroll deductions of membership subscriptions; and
- The reporting entity has no payables in respect of legal costs and other expenses related to litigation or other legal matters.

	2013	2012
	\$	\$
Expenses incurred in connection with holding meetings of members of the reporting unit and any conferences or meetings of councils, committees, panels or other bodies for the holding of which the reporting unit was wholly or partly responsible	69,178	55,762

**COMMITTEE OF MANAGEMENT STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2013**

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On 20 August 2014 the Committee of Management of The Pharmacy Guild of Australia (NSW Branch) passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 30 June 2013:

The Committee of Management declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the General Manager of Fair Work Australia;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of The Pharmacy Guild of Australia (NSW Branch) for the financial year to which they relate;
- (d) there are reasonable grounds to believe that The Pharmacy Guild of Australia (NSW Branch) 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 the organisation including the rules of the branch concerned; and
  - (ii) the financial affairs of The Pharmacy Guild of Australia (NSW Branch) 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 Pharmacy Guild of Australia (NSW Branch) have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009; and
  - (iv) where the organisation consists of two or more reporting units, the financial records of The Pharmacy Guild of Australia (NSW Branch) 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 Pharmacy Guild of Australia (NSW Branch) or General Manager of Fair Work Australia duly made under Section 272 of the Fair Work (Registered Organisations) Act 2009 has been provided to the member or General Manager; and
  - (vi) where any order for inspection of financial records has been made by the Fair Work Commission under Section 273 of the Fair Work (Registered Organisations) Act 2009, there has been compliance.
- (f) in relation to recovery of wages activity:
  - (i) the financial report on recovery of wages activity has been fairly and accurately prepared in accordance with the requirements of the reporting guidelines of the General Manager; and
  - (ii) the committee of management instructed the auditor to include in the scope of the audit required under subsection 257(1) of the Fair Work (Registered Organisations) Act 2009 all recovery of wages activity by The Pharmacy Guild of Australia (NSW Branch) from which revenues had been derived for the financial year in respect of such activity; and
  - (iii) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from monies recovered from employers on behalf of workers other than reported in the financial report on recovery of wages activity and the notes to the financial statements; and
  - (iv) that prior to engaging in any recovery of wages activity, the organisation has disclosed to members by way of a written policy all fees to be charged or reimbursement of expenses required for recovery of wages activity, and any likely request for donations or other contributions in acting for a worker in recovery of wages activity; and

COMMITTEE OF MANAGEMENT STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2013

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- (v) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from monies recovered from employers on behalf of workers until distributions of recovered money were made to the workers.

This reissued financial report replaces the previously issued financial report approved on 16 August 2013. The reason for the reissue of the financial report was to include additional disclosures in the notes to the financial report to comply with the reporting requirements under the Fair Work (Registered Organisations) Act 2009. On 20 August 2014, the Committee of Management re-passed the above resolution.

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



Paul Sinclair  
State President  
20 August 2014



Denis Leahy  
Vice-President, Finance  
20 August 2014

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**Independent Auditor's Report  
to the Members of The Pharmacy Guild of Australia (NSW Branch)**

We have audited the accompanying financial report of The Pharmacy Guild of Australia (NSW Branch) (the "Guild"), which comprises the statement of financial position as at 30 June 2013, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information to the financial report and the Committee of Management statement.

**Responsibility of the Committee of Management and the Branch Secretary  
for the financial report**

The Committee of Management and Branch Secretary of the Guild are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the Fair Work (Registered Organisations) Act 2009 and the Fair Work (Registered Organisations) Regulation 2009. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that are 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 which require us to 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 the auditor's

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judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Guild'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 Guild's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Committee of Management and Branch Secretary, 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 applicable independence requirements of the Accounting Professional and Ethical Standards Board.

#### **Auditor's opinion**

In our opinion:

- a The financial report of The Pharmacy Guild of Australia (NSW Branch):
  - i presents fairly, in all material respects, The Pharmacy Guild of Australia (NSW Branch)'s financial position as at 30 June 2013 and of its performance and cash flows for the year then ended;
  - ii complies with Australian Accounting Standards and the relevant legislation;
  - iii complies with the requirements of Fair Work (Registered Organisations) Regulations 2009 and Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.
- b Management's use of the going concern basis of accounting in the preparation of The Pharmacy Guild of Australia (NSW Branch)'s financial statements is appropriate.

#### **Other matter**

Without qualifying our opinion, we draw attention to the following matter. As indicated in Note 1, Reissued Financial Report, the attached report of The Pharmacy Guild of Australia (NSW Branch) for the year ended 30 June 2013 is a "Reissued Financial Report" and supersedes the financial report signed on 16 August 2013. This audit report supersedes our audit report dated 16 August 2013 relating to the previously issued and now superseded financial report.



I declare that I am an approved auditor, a member of the Institute of Chartered Accountants in Australia, and hold a current public practice certificate.

*Grant Thornton*

GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants

A handwritten signature in black ink, appearing to read 'C F Farley', written over a horizontal line.

C F Farley  
Partner - Audit & Assurance

Sydney, 20 August 2014





15 April 2014

Mr Silas Banks  
State President  
Pharmacy Guild of Australia, NSW Branch  
Locked Bag 2112  
St Leonards NSW 2065

via e-mail: [guild.nsw@guild.org.au](mailto:guild.nsw@guild.org.au)

Dear Mr Banks

**Pharmacy Guild of Australia, NSW Branch  
Financial Report for the year ended 30 June 2013 - FR2013/179**

I acknowledge receipt of the financial report for the year ended 30 June 2013 for the Pharmacy Guild of Australia, NSW Branch (PGA-NSW). The financial report was lodged with Fair Work Commission (FWC) on 3 October 2013.

The financial report has not been filed. I have examined the report and identified a number of matters, the details of which are set out below, that you are required to address before the report can be filed.

The General Purpose Financial Report (GPFR) and Auditor's Statement will require amendments. The amended report will need to be provided to members, presented to a General Meeting of members, republished on the PGA-NSW website and lodged with FWC.

The matters identified should be read in conjunction the *Fair Work (Registered Organisations) Act 2009* (the RO Act), *Fair Work (Registered Organisations) Regulations 2009* (the RO Regs), Reporting Guidelines (RG) made under section 255 of the RO Act and Australian Accounting Standards. A 'Model financial statements' is also available on the FWC website to assist organisations prepare returns.

**1. General Purpose Financial Report**

For-profit or not-for profit entity

The Australian Accounting Standard *AASB 1054 Australian Additional Disclosures* paragraph 8(b) requires that the entity disclose whether, for the purposes of preparing the financial statements, is a for-profit or not-for-profit entity. This information has not been provided.

Notes to the Cash Flow Statement

Reporting Guideline 25 states that '*where another reporting unit and/or controlled entity of the organisation is the source of a cash inflow or the application of a cash outflow, such cash flow should be separately disclosed in the notes to the financial statements and show the name of the other reporting unit and/or controlled entity concerned*'. This is in addition to the requirement to disclose capitation fees to another reporting unit (RG 17(b)) and provision of any other financial support to another reporting unit (RG 11 and 19).

Please update the cash flow statement to provide the appropriate disclosures relating to cash flows to and from the reporting unit within 'Receipts from National Secretariat and Other Branches' \$1,555,883 and 'Payments to National Secretariat and Other Branches' \$2,263,419.

#### Disclosure of employee expenses/provisions for office holders and other employees

The employee expense note to the financial statements has disclosed wages and salaries and superannuation separately for officer holders and employees, but does not separately disclose leave and other entitlements, separation and redundancies and other employee expenses provided for officers and employees.

The employee provisions note to the financial statements has disclosed annual leave and long service leave separately for office holders and employees, but does not separately disclose separation and redundancies and other employee provisions provided for officers and employees.

The Reporting Guidelines require that all employee and office holder benefits be detailed separately (refer to items 17(f), 17(g), 21(c) and 21(d)).

#### Activities under Reporting Guideline not disclosed

Items 14, 16, 18 and 22 of the RG state that if the activities identified in items 10, 11, 13, 15, 17 and 21 respectively have not occurred in the reporting period, a statement of this effect must be included in the notes to the GPFR. I note that for the following items no such disclosure has been made:

- 10 reliant on agreed financial support of another reporting unit(s)
- 11 provides financial support to another reporting unit(s)
- 13 business combinations
- 15(b) capitation fees received
- 15(d) donations or grants received
- 15(e) financial support received from another reporting unit
- 17(a) fees incurred as consideration for employers making payroll deductions of membership subscriptions
- 17(h) fees or allowances paid to persons to attend a conferences or other meeting as a representative of the reporting unit
- 17(i) expenses incurred with holding meeting of members or any conferences or meeting of councils, committees, panels or other bodies
- 17(j) legal costs or other litigation expenses incurred
- 17(k) penalties imposed under the RO Act.
- 21(a) payables to employers as consideration for the employers making payroll deductions of membership subscriptions
- 21(b) payables in respect of legal costs and other expenses related to litigation or other legal matters

## **2. Auditor's Statement**

### Auditor's qualifications

Regulation 4 of the RO Regulations provides the definition of an approved auditor. Item 44 of the Reporting Guidelines requires that in the Auditor's Statement, the auditor must declare they are either an approved auditor or the auditor is a member of a firm where at least one member is an approved auditor and must specify that the auditor is a person who is a member of CPA Australia, The Institute of Chartered Accountants in Australia or the Institute of Public Accountants, and holds a current Public Practice Certificate.

I note that this information has not been included in the Auditor's Statement. The Auditor's Statement will require amendment to include this information.

Declaration relating to management use of the going concern basis of accounting

Item 45 of the RG requires that the auditor's statement must include a declaration, that as part of the audit of the financial statements, they have concluded that management's use of the going concern basis of accounting in the preparation of the reporting unit's financial statement is appropriate. No such declaration is contained in the auditor's statement.

The auditor's statement will need to be amended to include the abovementioned declaration and reissue to Members and FWC.

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) 8661 7675 or by email at [ken.morgan@fwc.gov.au](mailto:ken.morgan@fwc.gov.au)

Yours sincerely

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

Ken Morgan  
Financial Reporting Advisor  
Regulatory Compliance Branch