



11 October 2016

Mr Mark Douglass  
Acting President, New South Wales Branch  
Pharmacy Guild of Australia

Sent by email: [des.malone@nsw.guild.org.au](mailto:des.malone@nsw.guild.org.au)

Dear Mr Douglass

**Re: Lodgement of financial accounts and statements – Pharmacy Guild of Australia, New South Wales Branch - year ended 30 June 2016 (FR2016/278)**

I refer to the financial report for the year ended 30 June 2016 for the Pharmacy Guild of Australia, New South Wales Branch. The documents were lodged with the Fair Work Commission on 6 October 2016.

The financial report has been filed. The financial report was filed based on a primary review. This involved examining whether 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 the financial report for the year ending 30 June 2017 may be subject to an advanced compliance review.<sup>1</sup>

You are not required to take any further action in relation to the report lodged. I make the following comments to assist you when preparing next year's report.

**Disclosure of capitation fees to another reporting unit**

Reporting Guideline 16(b) requires that where capitation fees to another reporting unit are paid, the name of each such reporting unit is to be disclosed<sup>2</sup> in either the Statement of Comprehensive Income or the notes. The name of the entity to which the amount of \$1,136,098 was paid was not disclosed. In future years please ensure that this expense is disclosed in accordance with the Reporting Guidelines.

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<sup>1</sup> A copy of the checklist used in an advanced compliance review is available at <https://www.fwc.gov.au/documents/documents/organisations/factsheets/org-financial-report-checklist-advanced.pdf>

<sup>2</sup> i.e. in addition to the amount paid

## 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 assists 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](#).<sup>3</sup>

If you require further information on the financial reporting requirements of the Act, or wish to discuss the above, I may be contacted by email at [stephen.kellett@fwc.gov.au](mailto:stephen.kellett@fwc.gov.au).

Yours sincerely

A handwritten signature in black ink that reads "Stephen Kellett". The signature is written in a cursive style with a long horizontal stroke extending to the right.

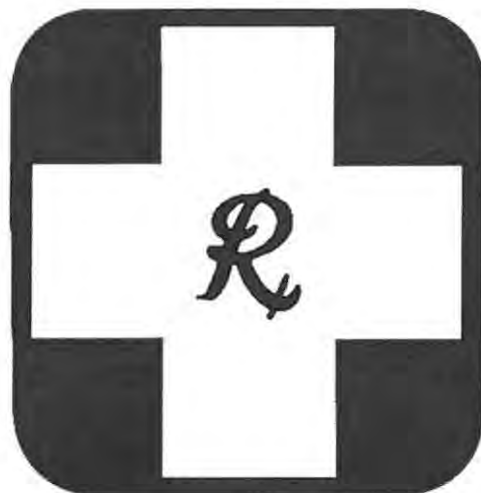
Stephen Kellett  
Senior Adviser  
Regulatory Compliance Branch

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<sup>3</sup> <https://www.fwc.gov.au/registered-organisations/compliance-governance/financial-reporting>

**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 2016**

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OPERATING REPORT  
FOR THE YEAR ENDED 30 JUNE 2016

The committee presents its report on The Pharmacy Guild of Australia (NSW Branch) for the financial year ended 30 June 2016.

(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) **Number of members:**

As at 30 June 2016 the number of members of The Pharmacy Guild of Australia (NSW Branch) was 1,328 (2015: 1,230) including Honorary Life & 50 Year Life Members.

(e) **Number of employees:**

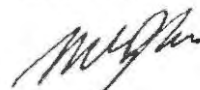
As at 30 June 2016 the number of employees of The Pharmacy Guild of Australia (NSW Branch) was 36 (2015: 37).

(f) **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 financial year:

1 July 2015 – 30 June 2016

Mario Barone	John Black	Phil Dibben	Paul Sinclair
Gregory Everett	David Heffernan	Feras Karem	Paul Jones
Denis Leahy	Binh Luu	Peter McBeath	George Mendria
Rick Samimi	Paul Sinclair	Richard Walsh	



Mark Douglass  
Acting State President  
24 August 2016

**STATEMENT OF COMPREHENSIVE INCOME  
 FOR THE YEAR ENDED 30 JUNE 2016**

	Note	2016 \$	2015 \$
<b>REVENUE</b>			
Grant Revenue	3A	3,050,733	4,945,351
Rental Revenue		37,457	44,159
Subscriptions		2,705,173	3,579,964
Interest		175,383	194,040
Other Revenue	3B	2,314,580	3,023,753
Capitation fees and levies	3C	-	-
Grants or donations	3C	-	-
<b>Revenue from ordinary activities</b>		<b><u>8,283,326</u></b>	<b><u>11,787,267</u></b>
<b>EXPENSES</b>			
Depreciation and amortisation	4A	105,798	88,672
Employee expenses	4B	3,354,703	3,236,842
Grants or donations	4C	33,890	23,077
Audit fees		55,757	50,624
Legal fees		52,491	11,005
Finance fees		22,474	38,067
Capitation fees		1,136,098	1,943,127
Program related costs	4D	1,208,346	2,982,010
Administration expenses	4E	2,210,106	2,351,178
Other expenses	4F	579,304	589,036
Capitation and affiliation fees	4G	-	-
<b>Total expenditure</b>		<b><u>8,758,967</u></b>	<b><u>11,313,638</u></b>
<b>Net (loss)/surplus from ordinary activities</b>		<b><u>(475,641)</u></b>	<b><u>473,629</u></b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Net gain on revaluation of land and buildings		<u>5,321,300</u>	-
Total other comprehensive income for the year		-	-
<b>Total comprehensive income for the year</b>		<b><u>4,845,659</u></b>	<b><u>473,629</u></b>

These statements should be read in conjunction with the accompanying notes

STATEMENT OF FINANCIAL POSITION  
 AS AT 30 JUNE 2016

	Notes	2016 \$	2015 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	3,948,788	2,663,321
Trade and other receivables	7	5,660,263	2,781,316
Current other assets	8	56,808	84,762
Financial assets	9	3,000,000	4,000,000
Asset held for sale	10	10,050,000	-
<b>TOTAL CURRENT ASSETS</b>		<b>22,715,859</b>	<b>9,529,399</b>
<b>NON-CURRENT ASSETS</b>			
Financial assets	9	34	34
Property, plant and equipment	11	169,903	4,957,457
Intangible assets	12	12,010	21,997
<b>TOTAL NON-CURRENT ASSETS</b>		<b>181,947</b>	<b>4,979,488</b>
<b>TOTAL ASSETS</b>		<b>22,897,806</b>	<b>14,508,887</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	13	1,818,797	2,314,097
Employee provisions	14	368,425	314,859
Other liabilities	15	6,930,904	2,922,156
<b>TOTAL CURRENT LIABILITIES</b>		<b>9,118,126</b>	<b>5,551,112</b>
<b>NON-CURRENT LIABILITIES</b>			
Employee provisions	14	14,004	37,758
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>14,004</b>	<b>37,758</b>
<b>TOTAL LIABILITIES</b>		<b>9,132,130</b>	<b>5,588,870</b>
<b>NET ASSETS</b>		<b>13,765,676</b>	<b>8,920,017</b>
<b>EQUITY</b>			
Reserves	16	6,072,932	751,632
Retained earnings		7,692,744	8,168,385
<b>TOTAL EQUITY</b>		<b>13,765,676</b>	<b>8,920,017</b>

These statements should be read in conjunction with the accompanying notes

STATEMENT OF CHANGES IN EQUITY  
 FOR THE YEAR ENDED 30 JUNE 2016

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
<b>Closing Balance at 30 June 2014</b>	7,694,756	751,632	8,446,388
Profit for the year ended 30 June 2015	473,629	-	473,629
Revaluation increment (decrement)	-	-	-
Total comprehensive income for the year	473,629	-	473,629
<b>Closing Balance at 30 June 2015</b>	8,168,385	751,632	8,920,017
Loss for the year ended 30 June 2016	(475,641)	-	(475,641)
Revaluation increment (decrement)	-	5,321,300	5,321,300
Total comprehensive income for the year	(475,641)	5,321,300	4,845,659
<b>Closing Balance at 30 June 2016</b>	7,692,744	6,072,932	13,765,676

These statements should be read in conjunction with the accompanying notes



STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 \$	2015 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		7,730,333	12,571,396
Payments to suppliers, employees and others		(7,675,644)	(12,401,110)
National Council Dues receipts	20(c)	1,416,941	1,442,172
National Council Dues payments	20(c)	(1,324,590)	(2,123,603)
Interest received		175,383	194,040
Net cash inflows / (outflows) from operating activities	20(b)	322,423	(317,105)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for investments		(36,956)	(126,126)
Payments for property, plant & equipment		-	990
Term deposit - financial assets		1,000,000	-
Net cash inflows /(outflows) from investing activities		963,043	(125,136)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Net cash flows from financing activities		-	-
Net increase/(decrease) in cash held		1,285,467	(442,242)
Cash and cash equivalents at the beginning of the financial year		2,663,321	3,105,563
<b>Cash and cash equivalents at the end of the financial year</b>	20(a)	<b>3,948,788</b>	<b>2,663,321</b>

These statements should be read in conjunction with the accompanying notes

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016

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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 and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period 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 purpose 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.

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.

### *New Australian Accounting Standards*

The accounting policies adopted are consistent with those of the previous financial year except for the following standards and amendments, which have been adopted for the first time this financial year:

- AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments contains three main parts and makes amendments to a number of Standards and Interpretations.
  - Part A of AASB 2013-9 makes consequential amendments arising from the issuance of AASB CF 2013-1.
  - Part B makes amendments to particular Australian Accounting Standards to delete references to AASB 1031 and also makes minor editorial amendments to various other standards.
  - Part C makes amendments to a number of Australian Accounting Standards, including incorporating Chapter 6 Hedge Accounting into AASB 9 Financial Instruments.

This amendment does not have any impact on the Guild's financial statements.

- AASB 2015-3 Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality completes the AASB's project to remove Australian guidance on materiality from Australian Accounting Standards.

This amendment does not have any impact on the Guild's financial statements.

### **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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016

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1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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. Property & Works of Art are measured on a fair value basis less depreciation and impairment losses. Revaluation entries are 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) **Non-current assets and liabilities classified as held for sale and discontinued operations**

As the Guild intends to sell a non-current asset or a group of assets (a disposal group), and the sale within twelve (12) months is highly probable, the asset or disposal group is classified as 'held for sale' and presented separately in the statement of financial position.

Assets classified as 'held for sale' are measured at the lower of their carrying amounts immediately prior to their classification as held for sale and their fair value less costs to sell. However, some 'held for sale' assets such as financial assets or deferred tax assets, continue to be measured in accordance with the Guild's accounting policy for those assets. Once classified as 'held for sale', the assets are not subject to depreciation or amortisation.

(e) **Intangibles**

Software and implementation costs are treated as intangible assets.

(f) **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 2016

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1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) **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.

(h) **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.

(i) **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.

(j) **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.

(k) **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 2016

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) **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.

(m) **Comparative Figures**

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

(n) **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.

(o) **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.

(p) **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 paid audit fees of \$3,000 (2014: \$2,900) to support the entity.

2. ORGANISATIONAL INFORMATION

The financial report of The Pharmacy Guild of Australia (NSW Branch) for the year ended 30 June 2016 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. INCOME

NOTE 3A: GRANT REVENUE

	2016	2015
	\$	\$
Methadone Incentive Scheme funding	321,990	1,791,069
Needle & Syringe exchange funding	1,617,694	1,190,808
Quit for New Life funding	113,381	80,591
Pain Awareness funding	-	85,000
Pharmacy Health Checks funding	-	950,421
Project Stop funding	81,332	-
HealthShare funding	11,560	-
Get Healthy funding	-	14,149
CEI funding	161,779	-
QCPP funding	709,760	833,313
S100 Project funding	33,237	-
	<b>3,050,733</b>	<b>4,945,351</b>

NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2016

	2016	2015
	\$	\$
<b>NOTE 3B: OTHER REVENUE</b>		
Promotional income	163,789	-
Commission income	793,177	868,606
Certification fees	252,481	369,420
Learning & Development Sales	758,921	1,175,254
Other revenue from ordinary activities	346,212	610,473
	<b>2,314,580</b>	<b>3,023,753</b>

**NOTE 3C: CAPITATION FEES, LEVIES, GRANTS OR DONATIONS**

Capitation fees and levies	-	-
Grants or donations	-	-
	<b>-</b>	<b>-</b>

**4. EXPENSES**

**NOTE 4A: DEPRECIATION AND AMORTISATION**

Buildings and leasehold improvements	30,000	30,000
Property, plant and equipment	47,017	30,821
Intangibles	28,781	27,851
	<b>105,798</b>	<b>88,672</b>

**NOTE 4B: EMPLOYEE BENEFIT EXPENSES**

Fringe Benefits Tax	66,675	45,079
Leave provisions	31,669	36,468
Salaries and Allowances	2,742,306	2,682,550
Superannuation	375,630	338,397
Payroll tax	138,423	134,348
	<b>3,354,703</b>	<b>3,236,842</b>

**NOTE 4C: GRANTS OR DONATION**

Grants that were \$1,000 or less	-	-
Grants that exceeded \$1,000	-	-
Donations that were \$1,000 or less	7,009	8,589
Donations that exceeded \$1,000	26,881	14,488
	<b>33,890</b>	<b>23,077</b>

**NOTE 4D: PROGRAM RELATED COSTS**

Methadone Incentive payments	100,800	1,578,572
Needle & Syringe exchange payments	1,012,465	630,655
Pharmacy Health Checks payments	-	729,082
Get Healthy payments	-	990
Quit for New Life payments	95,081	42,711
	<b>1,208,346</b>	<b>2,981,020</b>

**NOTE 4E: ADMINISTRATION EXPENSES**

Other administrative expenses	378,239	485,700
Office expenses	540,364	713,875
Conference and meeting expenses	229,977	150,655
Information communication technology	290,961	358,894
Consultancy and contractors fees	560,518	404,917
Property expenses	210,047	237,137
	<b>2,210,106</b>	<b>2,351,178</b>

NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2016

NOTE 4F: OTHER EXPENSES

	2016	2015
	\$	\$
Marketing expenses	161,988	95,990
Insurance	60,372	68,209
Recruitment and training costs	105,634	201,068
Travel & accommodation expenses	251,310	223,769
	<u>579,304</u>	<u>589,036</u>

NOTE 4G: CAPITATION AND AFFILIATION FEES

	2016	2015
	\$	\$
Capitation and affiliation fees	-	-
	<u>-</u>	<u>-</u>

5. KEY MANAGEMENT PERSONNEL COMPENSATION

	Salary & Bonus	Superannuation	Non-Cash Benefits	Other	Long-term Benefits	Total
	\$	\$	\$	\$	\$	\$
<b>2016</b>						
<b>Total Compensation</b>	<u>1,422,429</u>	<u>132,705</u>	<u>20,229</u>	<u>75,809</u>	<u>-</u>	<u>1,651,172</u>
<b>2015</b>						
<b>Total Compensation</b>	<u>1,167,942</u>	<u>183,605</u>	<u>18,956</u>	<u>53,184</u>	<u>-</u>	<u>1,423,687</u>

The number of people included as key management personnel is 15 (2015: 12).

6. CASH AND CASH EQUIVALENTS

	2016	2015
	\$	\$
Cash at bank and on hand	3,948,788	2,663,321
	<u>3,948,788</u>	<u>2,663,321</u>

7. TRADE AND OTHER RECEIVABLES

CURRENT

Trade debtors		
- National Secretariat and related party receivables	-	47,630
- Other debtors	4,572,184	2,579,685
Provision for doubtful debts	(3,700)	(44,985)
	<u>4,568,484</u>	<u>2,582,330</u>
Sundry debtors	1,091,779	198,986
	<u>5,660,263</u>	<u>2,781,316</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. A provision for impairment is recognised when there is objective evidence that an individual trade or term receivable is impaired.

8. OTHER CURRENT ASSETS

Prepayments	<u>56,808</u>	<u>84,762</u>
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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016

9. FINANCIAL ASSETS

	2016	2015
	\$	\$

**CURRENT**

Bank term deposits	3,000,000	4,000,000
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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.

**NON-CURRENT**

Shares in controlled entities – at cost	17	34	34
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10. ASSETS HELD FOR SALE

	2016	2015
	\$	\$
Land	7,607,547	-
Buildings	2,442,453	-
	10,050,000	-

During the year, the Guild was approached by developers in regards to the sale of the land and buildings in St Leonards, owned by the Guild. A deed was signed prior to year-end and the agreed sale value for the land and building was \$10.050 million. As land and buildings are carried at fair value, the revaluation of the asset was credited in 2016 to the asset revaluation reserve. As the sale will complete within 12 months the assets have been classified as asset held for sale and classified as current assets in the statement of financial position.

11. PROPERTY, PLANT AND EQUIPMENT

Freehold land, at fair value	-	3,600,000
	-	3,600,000
Buildings, at fair value	-	1,170,000
	-	1,170,000
Total land and buildings	-	4,770,000
Plant and equipment, at cost	1,169,229	1,151,066
Accumulated depreciation	(1,080,816)	(1,033,798)
	88,413	117,267
Works of art, at fair value	81,490	70,190
	81,490	70,190
Total property, plant and equipment	169,903	4,957,457

Works of Art are recorded at a fair market value in continued use and are revalued every three years. On 18<sup>th</sup> April 2016, Mr. Colin McWilliam, NCJV Fine Arts Division Registered Valuer No. 384, of McWilliam & Associates Pty Ltd revalued the Works of Art at \$81,490. The revaluation was credited in 2016 to the asset revaluation reserve.

**Movements in carrying amounts**

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

2016	Opening balance	Additions	Revaluations	Depreciation	Reclassification to Assets Held for Sale / Disposals	Closing balance
	\$	\$	\$	\$	\$	\$
Freehold Land	3,600,000	-	4,007,547	-	(7,607,547)	-
Buildings	1,170,000	-	1,302,453	(30,000)	(2,442,453)	-
Plant and equipment	117,267	18,163	-	(47,017)	-	88,913
Works of art	70,190	-	11,300	-	-	81,490
Total	4,957,457	18,163	5,321,300	(77,017)	(1,050,000)	169,903



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016

2015	Opening balance	Additions	Revaluations	Depreciation	Disposals	Closing balance
	\$	\$	\$	\$	\$	\$
Freehold Land	3,600,000	-	-	-	-	3,600,000
Buildings	1,200,000	-	-	(30,000)	-	1,170,000
Plant and equipment	21,962	126,126	-	(30,821)	-	117,267
Works of art	70,190	-	-	-	-	70,190
<b>Total</b>	<b>4,892,152</b>	<b>126,126</b>	<b>-</b>	<b>(60,821)</b>	<b>-</b>	<b>4,957,457</b>

12. INTANGIBLE ASSETS

	2016	2015
	\$	\$
Software, at cost	212,587	193,793
Accumulated amortisation	(200,577)	(171,796)
	<u>12,010</u>	<u>21,997</u>

Movements in carrying amounts

Movements in the carrying amounts for the intangible assets between the beginning and the end of the financial year are presented below.

2016	Opening balance	Additions	Disposals	Amortisation	Closing balance
	\$	\$	\$	\$	\$
Software	21,997	18,794	-	(28,781)	12,010
<b>Total</b>	<b>21,997</b>	<b>18,794</b>	<b>-</b>	<b>(28,781)</b>	<b>12,010</b>

2015	Opening balance	Additions	Disposals	Amortisation	Closing balance
	\$	\$	\$	\$	\$
Software	50,838	-	(990)	(27,851)	21,997
<b>Total</b>	<b>50,838</b>	<b>-</b>	<b>(990)</b>	<b>(27,851)</b>	<b>21,997</b>

13. TRADE AND OTHER PAYABLES

	2016	2015
	\$	\$
<b>CURRENT</b>		
Trade creditors		
- National Secretariat and Other Branches	-	190,345
- Other creditors	1,189,942	693,470
Accrued charges	628,855	1,430,282
	<u>1,818,797</u>	<u>2,314,097</u>

14. PROVISIONS

Office Holders:

Annual Leave	-	16,102
Long Service Leave	-	-
Separations and redundancies	-	-
Other	-	-
<b>Subtotal employee provisions – office holders</b>	<b>-</b>	<b>16,102</b>

Employees other than office holders:

Annual Leave	230,111	180,258
Long Service Leave	152,318	156,257
Separations and redundancies	-	-
Other	-	-
<b>Subtotal employee provisions – employees other than office holders</b>	<b>382,429</b>	<b>336,515</b>

<b>Total employee provisions</b>	<b>382,429</b>	<b>352,617</b>
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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016

14. PROVISIONS (CONTINUED)	2016	2015
	\$	\$
Current	368,425	314,859
Non-current	14,004	37,758
<b>Total employee provisions</b>	<u>382,429</u>	<u>352,617</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(f).

15. OTHER CURRENT LIABILITIES	2016	2015
	\$	\$
Deferred income	4,462,938	1,748,056
Subscriptions in advance	1,462,966	1,174,100
Deposit on sale of property	1,005,000	-
	<u>6,930,904</u>	<u>2,922,156</u>

Deferred income includes amounts that have been recognised as other receivables (Note 7) at 30 June 2016 and where the conditions of the government funding have not yet been met.

16. RESERVES		
Asset revaluation reserve	<u>6,072,932</u>	<u>751,632</u>
<b>Asset revaluation reserve</b>		
Opening balance	751,632	751,632
Revaluation of land and buildings	5,310,000	-
Revaluation of works of art	11,300	-
	<u>6,072,932</u>	<u>751,632</u>
Closing balance	<u>6,072,932</u>	<u>751,632</u>

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

17. CONTROLLED ENTITIES

Name	Country of Incorporation	% Owned		Investment At Cost		Contribution to Operating Surplus	
		2016	2015	2016	2015	2016	2015
		\$	%	\$	%	\$	%
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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016

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**18. 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	\$1,361,925
Purchases	\$ 1,277,224
Guild Branches	
Sales	\$55,016
Purchases	\$47,365

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

Mario Barone	John Black	Phil Dibben	Mark Douglass
Gregory Everett	David Heffernan	Feras Karem	Paul Jones
Denis Leahy	Binh Luu	Peter McBeath	George Mendria
Rick Samimi	Paul Sinclair	Richard Walsh	

The aggregate amount of remuneration paid to officers during the year is disclosed on the statement comprehensive income in Note 5.

The aggregate amount paid during the financial year to a superannuation plan in respect of elected full time officials is \$34,947 (2015: \$19,417).

During the year an amount of \$102,080 (excluding GST) was paid to DM & JM Enterprises Pty Ltd for services provided by management for the Methadone Incentive Program. Mr Denis Leahy is a director of DM & JM Enterprises Pty Ltd and has provided the relevant Disclosure Form to the Guild. An amount of \$1,073 (excluding GST) was also paid to DM & JM Enterprises Pty Ltd for the reimbursement of motor vehicle tolls incurred during the services provided by management for the Methadone Incentive Program.

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.

**19. 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 2016

	2016	2015
	\$	\$
<b>20. 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	-	-
Cash at bank	3,948,788	2,663,321
Cash balance as per statement of cash flows	<u>3,948,788</u>	<u>2,663,321</u>
<b>(b) Reconciliation of net cash flows from operating activities with operating profit after income tax</b>		
Operating (loss)/surplus	(475,641)	473,629
Non-cash flows in operating profit		
Depreciation and amortization	105,798	88,672
Net loss on sale of property plant and equipment	-	-
<i>Changes in assets and liabilities, net of the effects of purchase and disposals of controlled entities:</i>		
(Increase) in trade and other receivables	(2,878,946)	(87,431)
Decrease / (increase) in prepaid expenses	27,953	(30,404)
Decrease in inventories	-	29,065
(Decrease) / increase in creditors	(495,301)	517,435
Increase / (decrease) in other current financial liabilities	4,008,748	(1,344,539)
Increase in provisions – employee entitlements	29,812	36,468
Cash flows from operations	<u>322,423</u>	<u>(317,105)</u>
<b>(c) Cash flow information</b>		
	2016	2015
	\$	\$
<b>Cash inflows</b>		
The Pharmacy Guild of Australia (National Secretariat)	1,361,925	1,404,878
The Pharmacy Guild of Australia (ACT Branch)	-	18
The Pharmacy Guild of Australia (Victoria Branch)	31,500	2,888
The Pharmacy Guild of Australia (Queensland Branch)	4,676	6,937
The Pharmacy Guild of Australia (Northern Territory Branch)	-	23,733
The Pharmacy Guild of Australia (South Australia Branch)	-	1,597
The Pharmacy Guild of Australia (Western Australia Branch)	16,560	1,708
The Pharmacy Guild of Australia (Tasmania Branch)	2,280	413
<b>Total cash inflows</b>	<u>1,416,941</u>	<u>1,442,172</u>
<b>Cash outflows</b>		
The Pharmacy Guild of Australia (National Secretariat)	1,277,225	2,074,421
The Pharmacy Guild of Australia (ACT Branch)	12,922	10,426
The Pharmacy Guild of Australia (Victoria Branch)	12,162	16,243
The Pharmacy Guild of Australia (Queensland Branch)	16,746	13,984
The Pharmacy Guild of Australia (Northern Territory Branch)	208	1,537
The Pharmacy Guild of Australia (South Australia Branch)	3,462	2,636
The Pharmacy Guild of Australia (Western Australia Branch)	1,467	2,577
The Pharmacy Guild of Australia (Tasmania Branch)	398	1,779
<b>Total cash outflows</b>	<u>1,324,590</u>	<u>2,123,603</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016

**21. METHADONE INCENTIVE SCHEME, NEEDLE & SYRING EXCHANGE, QUIT FOR NEW LIFE, PROJECT STOP, S100 PROJECT AND HEALTHSHARE.**

These programs operate throughout the State and are wholly funded by the NSW government.

**22. 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.

The provision for impairment has been reduced to \$3,700 (2015: \$44,985). 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:

	2016	2015
	\$	\$
0-30 days	1,658,016	2,466,534
31-60 days PDNI*	39,496	29,261
31-60 days CI*	-	-
61-90 days PDNI*	27,349	32,240
61-90 days CI*	-	4,125
+91 days PDNI*	90,236	54,295
+91 days CI*	3,700	40,860
	<u>1,818,797</u>	<u>2,627,315</u>

PDNI\* Past due not considered impaired

CI\* Considered to be impaired

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

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016

The financial assets of the organisation are as follows:

	Note	Weighted Average Effective Interest Rate		Floating & Fixed Interest Rate		Non-Interest bearing	
		2016 %	2015 %	2016 \$	2015 \$	2016 \$	2015 \$
<b>FINANCIAL ASSETS</b>							
Cash at bank	6	2.71*	3.03*	3,948,788	2,663,321	-	-
Bank term deposit	9	3.08	3.72	3,000,000	4,000,000	-	-
Trade and other receivables	7	-	-	-	-	4,568,484	2,582,330
Other debtors	7	-	-	-	-	1,091,779	198,986
<b>TOTAL FINANCIAL ASSETS</b>				<b>6,948,788</b>	<b>6,663,321</b>	<b>5,660,263</b>	<b>2,781,316</b>

\*The Guild has negotiated an interest rate of the official cash rate plus 0.75%.

**FINANCIAL LIABILITIES**

Trade and other payables	13	-	-	-	-	1,189,942	883,815
Accrued charges	13	-	-	-	-	628,855	1,430,282
<b>TOTAL FINANCIAL LIABILITIES</b>				<b>-</b>	<b>-</b>	<b>1,818,797</b>	<b>2,314,097</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% (2015: +/-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.

	2016 \$	2016 \$	2015 \$	2015 \$
	+1%	(1%)	+1%	(1%)
Net result for the year	39,488	(39,488)	66,633	(66,633)
Equity	39,488	(39,488)	66,633	(66,633)

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

**23. 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.

**24. CONTINGENT LIABILITIES**

As at 30 June 2016 there are no contingent liabilities (2015: Nil).

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016

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**25. 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
- Quit for New Life
- Project Stop
- HealthShare
- S100 Project

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

- 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.

	2016	2015
	\$	\$
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	<u>154,092</u>	<u>108,633</u>

COMMITTEE OF MANAGEMENT STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2016

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On 24 August 2016 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 2016:

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;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit 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 reporting unit 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 reporting unit 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 reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
  - (v) where information has been sought in any request by a member of The Pharmacy Guild of Australia (NSW Branch) or General Manager 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) where the reporting unit has derived revenue from undertaking 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 reporting unit 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

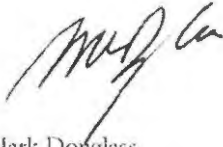


COMMITTEE OF MANAGEMENT STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2016

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



Mark Douglass  
Acting State President  
24 August 2016



Denis Leahy  
Vice-President, Finance  
24 August 2016

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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 2016, 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 the 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 such internal controls as the Committee of Management and the Branch Secretary determine are necessary to enable the preparation of the financial report to be free from material misstatement, whether due to fraud or error.

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

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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 the 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) financial position as at 30 June 2016 and of its performance and cash flows for the year then ended;
  - ii complies with Australian Accounting Standards and the relevant legislation; and
  - iii complies with the requirements of the Fair Work (Registered Organisations) Regulation 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.

GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants

A J Archer  
Partner - Audit & Assurance

Sydney, 24 August 2016


**Designated Officer's Certificate**

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

Certificate for the period ended 30 June 2016.

I, Mark Douglass, being the Acting Secretary of The Pharmacy Guild of Australia (NSW Branch) certify:

- that the documents lodged herewith are copies of the 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 full report was provided to members of The Pharmacy Guild of Australia (NSW Branch) on 29 August 2016; and
- that the full report was presented to a general meeting of members of The Pharmacy Guild of Australia (NSW Branch) on 22 September 2016; in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer .....  .....

Name of prescribed designated officer: Mark Douglass

Title of prescribed designated officer: Acting Secretary and Acting State President

Dated: 27 September 2016