



10 October 2017

Mr Sotirios (Terry) Battalis
President, Northern Territory Branch
The Pharmacy guild of Australia

Sent via email: Peta.Smith@guild.org.au

Dear Mr Battalis

Re: – The Pharmacy Guild of Australia, Northern Territory Branch - financial report for year ending 30 June 2017 (FR2017/225)

I refer to the financial report of the Northern Territory Branch of the Pharmacy Guild of Australia. The documents were lodged with the Registered Organisations Commission ('the ROC') on 2 October 2017.

The financial report has now been filed. The financial report was filed based on a primary review. This involved confirming 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.

You are not required to take any further action in respect of the report lodged. Please note that the financial report for the period ending 30 June 2018 may be subject to an advanced compliance review.

Reporting Requirements

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

Please note that new Reporting Guidelines will apply to organisations and branches with financial years *commencing* on or after 1 July 2017. Updates and information on the new guidelines will be provided through the ROC website and the [subscription service](#).

Yours faithfully

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 from the end of the name.

Stephen Kellett
Financial Reporting
Registered Organisations Commission

The Pharmacy Guild of Australia – Northern Territory Branch

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

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER

Certificate for the period ended 30 June 2017

I Sotirios (Terry) Battalis being the President of The Pharmacy Guild of Australia – Northern Territory Branch certify:

- that the documents lodged herewith are copies of the full report for The Pharmacy Guild of Australia – Northern Territory Branch for the period ended 30 June 2017 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on 8 September 2017; and
- that the full report was presented to a general meeting of members of the reporting unit on 29 September 2017 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.



Signed :.....

Sotirios (Terry) Battalis

President

Dated: 29 September 2017

**PHARMACY GUILD OF AUSTRALIA
(NORTHERN TERRITORY BRANCH)**

GENERAL PURPOSE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30 JUNE 2017**

PHARMACY GUILD OF AUSTRALIA (NORTHERN TERRITORY BRANCH)

**GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

CONTENTS

	Page
Committee of Management Statement	2
Independent Auditor's Report	3
Statement of Profit or Loss and Other Comprehensive Income	5
Statement of Financial Position	6
Statement of Changes in Equity	7
Statement of Cash Flows	8
Recovery of Wages Activity	9
Notes to the Financial Statements	10
Operating Report	27



**THE PHARMACY GUILD OF AUSTRALIA
(Northern Territory Branch)**

COMMITTEE OF MANAGEMENT STATEMENT

On 24 August 2017, the Committee of Management of The Pharmacy Guild of Australia Northern Territory Branch (the "reporting unit") passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30 June 2017.

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

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the General Manager of Fair Work Commission;
- (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;
- (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 this branch; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of the branch; 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 the Fair Work (Registered Organisations) Regulations 2009; and
 - (iv) where the organisation consists of two or more reporting units, the financial records have been kept, as far as practicable, in a manner consistent with each of the other reporting units of the organisation; and
 - (v) no information has been sought by a member of the reporting unit or a General Manager of Fair Work Commission under Section 272 of the Fair Work (Registered Organisations) Act 2009; and
 - (vi) no orders for inspection of financial records have been made by Fair Work Commission under Section 273 of the Fair Work (Registered Organisations) Act 2009.
- (f) there were no recovery of wages activity during the financial year.

For Committee of Management: SOTIRIOS (TERRY) BATTALIS

Title of Office held: BRANCH PRESIDENT

Signature:.....

DARWIN

24 August 2017

Date:.....



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AUSTRALIA

INDEPENDENT AUDITOR'S REPORT

To the members of The Pharmacy Guild of Australia (Northern Territory Branch).

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of The Pharmacy Guild of Australia (Northern Territory Branch) (the "Branch"), which comprises the statement of financial position as at 30 June 2017, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the committee of management statement.

In our opinion the accompanying financial report presents fairly, in all material respects, the financial position of the Branch as at 30 June 2017, and its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the requirements of the *Fair Work (Registered Organisations) Act 2009*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Branch in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other matters

In our opinion, we conclude that the committee of management's use of going concern basis of accounting in preparation of the Branch's financial statements is appropriate as current assets exceed current liabilities by \$152,664 and year-end cash balance is \$188,916 which is more than enough to cover total liabilities of \$186,076.

Responsibilities of committee of management for the Financial Report

The committee of management of the Branch is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the requirements of the *Fair Work (Registered Organisations) Act 2009*, and for such internal control as the committee of management determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

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



The committee of management are responsible for overseeing the Branch's financial reporting process.

Auditor's responsibilities for the audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

A handwritten signature in black ink that reads 'BDO'.

BDO Audit (NT)

A handwritten signature in black ink, appearing to be 'C Taziwa'.

C Taziwa

Chartered Accountant

Registered Company Auditor # 293622

Registered Auditor under the Fair Work (Registered Organisations) Act # AA2017/18

Public Practice Member of Chartered Accountants Australia and New Zealand

Audit Partner

Darwin, 24 August 2017

PHARMACY GUILD OF AUSTRALIA (NORTHERN TERRITORY BRANCH)

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017**

	Note	2017 \$	2016 \$
Revenue	2	622,078	554,906
Expenses			
Accounting fees	3	2,520	2,370
Advertising expense		1,885	435
Audit fees	3	5,300	5,100
Bad debts	5	-	-
Cleaning and maintenance		3,418	2,010
Computer services		4,302	2,632
Depreciation	7	2,676	2,054
Electricity expense		5,845	4,892
Employee expense - key management	14c	153,231	148,764
Employee expense - other staff	15	293,798	251,820
Insurance		5,284	4,996
Capitation fees		-	-
Affiliation fees		-	-
Consideration to employers for payroll deductions		-	-
Compulsory levies		-	-
Grants or donations		-	-
Legal fees		-	-
Penalties - via RO Act or Ro Regulations		-	-
Meeting and conferences expense		154	804
National Secretariat Share membership		40,175	23,530
Printing, postage and stationery		4,982	7,674
Rent		65,942	67,759
Subscriptions		909	2,469
Sundry expense		5,874	9,456
Telephone		17,579	9,037
Travel		8,203	9,104
Total Expenses		622,078	554,906
 Surplus / (Deficit) For The Year		 -	 -
 Other comprehensive income		 -	 -
 Total Comprehensive Income		 -	 -

The Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

PHARMACY GUILD OF AUSTRALIA (NORTHERN TERRITORY BRANCH)

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017**

	Note	2017 \$	2016 \$
ASSETS			
Current Assets			
Cash and Cash Equivalents	4	188,916	198,717
Trade and Other Receivables	5	135,997	174,086
Other Assets	6	13,827	9,141
Total Current Assets		<u>338,740</u>	<u>381,944</u>
Non-Current Assets			
Property, Plant and Equipment	7	21,773	19,530
Total Non-Current Assets		<u>21,773</u>	<u>19,530</u>
Total Assets		<u>360,513</u>	<u>401,474</u>
LIABILITIES			
Current Liabilities			
Trade and Other Payables	8	22,406	19,008
Subscriptions in Advance	9	11,755	68,357
Unearned Funding	10	69,140	70,640
Provision for Employee Entitlements	11	82,775	65,417
Total Current Liabilities		<u>186,076</u>	<u>223,422</u>
Non-Current Liabilities			
Provisions	11	-	3,615
Total Non-Current Liabilities		<u>-</u>	<u>3,615</u>
Total Liabilities		<u>186,076</u>	<u>227,037</u>
NET ASSETS		<u>174,437</u>	<u>174,437</u>
EQUITY			
Accumulated Funds	12	174,437	174,437
Total Equity		<u>174,437</u>	<u>174,437</u>

The Statement of Financial Position should be read in conjunction with the accompanying notes.

PHARMACY GUILD OF AUSTRALIA (NORTHERN TERRITORY BRANCH)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017

	Accumulated Funds \$	Total \$
Accumulated Funds		
Balance at 1 July 2015	174,437	174,437
Surplus/(Deficit) for the year	-	-
Other comprehensive income /(loss) for the year	-	-
Balance at 30 June 2016	<u>174,437</u>	<u>174,437</u>
Surplus/(Deficit) for the year	-	-
Other comprehensive income /(loss) for the year	-	-
Balance at 30 June 2017	<u><u>174,437</u></u>	<u><u>174,437</u></u>

The Statement of Changes in Equity should be read in conjunction with the accompanying notes

PHARMACY GUILD OF AUSTRALIA (NORTHERN TERRITORY BRANCH)

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017**

	Note	2017 \$	2016 \$
Cash flow from operating activities			
Cash receipts in the course of operations		196,490	142,929
Program fees from Pharmacy Guild of Australia		202,254	165,627
Cash payments in the course of operations		(606,947)	(450,347)
Funding from National Office		203,320	209,593
Net cash provided by operating activities	13(b)	<u>(4,882)</u>	<u>67,802</u>
Cash flow from investing activity			
Payment for property, plant and equipment		(4,919)	(2,408)
Net cash used from investing activity		<u>(4,919)</u>	<u>(2,408)</u>
Net increase / (decrease) in cash held		(9,801)	65,394
Cash at the beginning of the financial year		198,717	133,323
Cash at the end of the financial year	13(a)	<u>188,916</u>	<u>198,717</u>

The Statement of Cash Flows should be read in conjunction with the accompanying notes.

PHARMACY GUILD OF AUSTRALIA (NORTHERN TERRITORY BRANCH)

RECOVERY OF WAGES ACTIVITY
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
Cash assets in respect of recovered money at beginning of year		<u>-</u>	<u>-</u>
Receipts			
Amounts recovered from employers in respect of wages etc		-	-
Interest received on recovery money		-	-
Total receipts		<u>-</u>	<u>-</u>
Payments			
Deductions of amounts due in respect of membership for:			
12 months or less		-	-
Greater than 12 months		-	-
Deductions of donations or other contributions to accounts or funds		-	-
Deductions of fees or reimbursement of expenses		-	-
Payments to workers in respect of recovered money		-	-
Total Payments		<u>-</u>	<u>-</u>
Cash assets in respect of recovered money at end of year		<u>-</u>	<u>-</u>
Number of workers to which the monies recovered relates		-	-
Aggregate payables to workers attributable to recovered monies but not yet distributed			
Payable balance		-	-
Number of workers the payable relates to		-	-
Fund or account operated for recovery of wages		-	-

The Recovery of Wages Activity should be read in conjunction with the accompanying notes.

PHARMACY GUILD OF AUSTRALIA (NORTHERN TERRITORY BRANCH)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

1. SUMMARY OF ACCOUNTING POLICIES

Basis of Preparation

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and complies with the *Fair Work (Registered Organisations) Act 2009*. For the purposes of preparing the general purpose financial statements, the Branch is a not-for-profit entity.

The financial statements have also been prepared on a historical basis and do not take into account changing money values or, except where specifically stated, current valuations of non-current assets. The concept of accrual accounting has been adopted in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated. The financial statements are presented in Australian dollars.

(a) Going Concern Basis

The financial statements are prepared on a going concern basis.

(b) Payables

Trade payables and other account payables are recognised when the Northern Territory Branch becomes obliged to make future payments resulting from the purchase of goods and services.

(c) Goods and Services Tax

Revenues, expenses are recognised net of Goods and Service Tax (GST) except where GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item.

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

(d) Income Tax

The Branch is exempt from Income Tax under section 50.1 of the Income Tax Assessment Act 1997 however still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

PHARMACY GUILD OF AUSTRALIA (NORTHERN TERRITORY BRANCH)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

1. SUMMARY OF ACCOUNTING POLICIES (cont.)

(e) Receivables

Trade receivables are recognised at original invoice amounts less an allowance for uncollectable amounts and have repayment terms between 30 and 90 days. Collectibility of trade receivables is assessed on an ongoing basis. Debts which are known to be uncollectible are written off. An allowance is made for doubtful debts where there is objective evidence that the Branch will not be able to collect all amounts due according to the original terms. Objective evidence of impairment include financial difficulties of the debtor, default payments or debts more than 60 days overdue. On confirmation that the trade receivable will not be collectible the gross carrying value of the asset is written off against the associated provision.

(f) Property and Equipment

All property and equipment is stated at historical cost, including costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, less depreciation and any impairments.

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

Office equipment	3-8 years
Furniture and fittings	3-8 years

(g) Employee Benefit Provisions

Wages and Salaries and Annual Leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of reporting date are recognised in respect of employees' services rendered up to reporting date and measured at amounts expected to be paid when the liabilities are settled. Liabilities for wages and salaries are included as part of Other Payables and liabilities and for annual leave are included as part of Provisions for Employee Entitlements.

Long service leave

The liability for long service leave is recognised in current and non-current liabilities, depending on the unconditional right to defer settlement of the liability for at least 12 months after the reporting date. The liability is measured as the present value of expected future cash payments to be made in respect of the services provided by employees up to the reporting date using the projected credit unit method. Consideration is given to expected future wage and salary levels, experience of employee departures and period of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match as closely as possible, the estimated future cash outflows.

PHARMACY GUILD OF AUSTRALIA (NORTHERN TERRITORY BRANCH)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

1. SUMMARY OF ACCOUNTING POLICIES (cont.)

(h) Revenue Recognition

(i) Grants

Grants are recognised at their fair value where there is reasonable assurance that the grant will be received and the Branch will comply with all the attached conditions. Grants relating to costs are deferred and recognised in statement of profit or loss and other comprehensive income over the period necessary to match them with the costs that they are intended to compensate.

(ii) Commission

Commission revenue is recognised in the period to which it relates.

(iii) Subscriptions

Revenue from subscriptions is recognised in the period to which it relates.

(i) Financial Instruments

Recognition

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

Financial Assets

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.

Financial Liabilities

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

Impairment

At the end of each reporting period the Branch assesses whether there is any indication that individual assets are impaired. Where impairment indicators exist, recoverable amount is determined and impairment losses are recognised in profit or loss where the asset's carrying value exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

(j) Critical Accounting Estimates and Judgements

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Branch's accounting policies.

PHARMACY GUILD OF AUSTRALIA (NORTHERN TERRITORY BRANCH)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

1. SUMMARY OF ACCOUNTING POLICIES (cont.)

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at financial reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Estimation of useful lives of property and equipment

The Branch determines the estimated useful lives and related depreciation charges for its property and equipment. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down. Net book value of property and equipment amounted to \$18,711 as at 30 June 2017 (\$ 19,530 in 2016)

Impairment of property and equipment

The Branch assesses impairment of non-current assets at each reporting date by evaluating conditions specific to the Branch and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs to sell or value-in-use calculations, which incorporate a number of key estimates and assumptions. No impairment loss recognised as at 30 June 2017 (nil in 2016).

Long service leave provision

The liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates, pay increases through promotion and inflation have been taken into account. Long service leave provision recognised amounted to \$61,203 as at 30 June 2017 (\$46,022 in 2016).

(k) New, revised or amending Accounting Standards and Interpretations adopted

The Branch has adopted all of the new, revised accounting standards and interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. Any new or revised accounting standards or interpretations that are not yet mandatory have not been early adopted.

Any significant impact on the accounting policies of the Branch from the adoption of these accounting standards and interpretations are disclosed in the relevant accounting policy. The adoption of these accounting standards and interpretations did not have any significant impact on the financial performance or position of the Branch.

PHARMACY GUILD OF AUSTRALIA (NORTHERN TERRITORY BRANCH)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

1. SUMMARY OF ACCOUNTING POLICIES (cont.)

The following accounting standards and interpretations are most relevant to the Branch:

AASB 2014-1- Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation

AASB 2015-2 Amendment to Australian Accounting Standard - Disclosure Initiative: Amendment to AASB 101 *Presentation of Financial Statements* is part of a major initiative to improve disclosure requirements in financial statements to make financial statements more relevant to the users.

(l) New Accounting Standards and interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Branch for the annual reporting period ended 30 June 2017. The Branch's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Branch, are set out below.

(i) *AASB 9 Financial Instruments*

Effective for annual reporting period beginning on or after 1 January 2018.

AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New impairment requirements will use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures. The Branch will adopt this standard from 1 July 2018 but the impact of its adoption is yet to be assessed by the Branch.

PHARMACY GUILD OF AUSTRALIA (NORTHERN TERRITORY BRANCH)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

1. SUMMARY OF ACCOUNTING POLICIES (cont.)

(ii) AASB 15 Revenue from Contracts with Customers

Effective for annual reporting period beginning on or after 1 January 2019.

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgments made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. The Branch will adopt this standard from 1 July 2019 but the impact of its adoption is yet to be assessed by the Branch.

(iii) AASB 16 Leases

Effective for annual reporting period beginning on or after 1 January 2019.

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard specifies how an AASB reporter will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with AASB 16's approach to lessor accounting substantially unchanged from its predecessor, AASB 117. The Branch will adopt this standard from 1 July 2019 but the impact of its adoption is yet to be assessed by the Branch.

PHARMACY GUILD OF AUSTRALIA (NORTHERN TERRITORY BRANCH)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

1. SUMMARY OF ACCOUNTING POLICIES (cont.)

(m) Required Disclosures Under Section 253 Reporting Guidelines But not Applicable

The Branch did not have activities during the year for the following required disclosures under Section 253 of Fair Work (Registered Organisations) Act of 2009:

- i Business combinations;
- ii Fees incurred as consideration for or payable to employers making payroll deductions of membership subscriptions;
- iii Fees and allowances paid to persons to attend to conferences or other meeting as a representative of the Branch;
- iv Legal costs or other litigation expenses incurred or payables in respect of legal costs and other expenses related to litigation or other legal matters;
- v Penalties imposed under the RO Act;
- vi Donations received or made to other parties; and
- vii Going concern financial support provided to another reporting unit.

	Note	2017 \$	2016 \$
2. Revenue			
Program Funding		202,254	165,627
Membership		68,606	50,361
Commission		5,961	18,038
Branch Support Subsidy	14b	203,320	209,593
Training		107,814	100,212
Capitation fees		-	-
Levies		-	-
Miscellaneous Income		34,123	11,075
Total Revenue		622,078	554,906
3. Auditors' Remuneration			
Audit services		5,300	5,100
Accounting services		2,520	2,370
		7,470	7,470
4. Cash and Cash Equivalents			
Cash at Bank - National Australia Bank		188,816	198,617
Petty Cash		100	100
Total Cash and Cash Equivalents		188,916	198,717

PHARMACY GUILD OF AUSTRALIA (NORTHERN TERRITORY BRANCH)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

	Note	2017 \$	2016 \$
5. Trade and Other Receivables			
Trade receivables			
Trade Debtors			
- The Pharmacy Guild of Australia	14b	128,751	109,593
- Guild Insurance Company		7,726	-
- Members		521	65,493
Provision for Doubtful Debts		(1,000)	(1,000)
Total Receivables		<u>135,997</u>	<u>174,086</u>
Age analysis of trade and other receivables that are past due but not impaired at the end of the reporting period.			
Neither past due nor impaired		136,997	175,086
Past due [30] days		-	-
Past due [30-45] days		-	-
Past due [45-60] days		-	-
Past due [>60] days		-	-
		<u>136,997</u>	<u>175,086</u>
Analysis of Allowance Account			
Opening Balance		1,000	1,000
Provisions for doubtful receivables		-	-
Receivables written off during the year		-	-
Reversal of allowance		-	-
Closing balance		<u>1,000</u>	<u>1,000</u>
6. Other Assets			
Prepayments		6,450	3,766
Accrued Revenue		-	332
Rental Deposit		5,042	5,043
Sundry creditors		2,335	-
Total Other Assets		<u>13,827</u>	<u>9,141</u>
7. Property and Equipment			
Property and Equipment at Cost		62,370	57,451
Less: Accumulated Depreciation		(40,597)	(37,921)
Total Property and Equipment		<u>21,773</u>	<u>19,530</u>

PHARMACY GUILD OF AUSTRALIA (NORTHERN TERRITORY BRANCH)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

	Note	2017 \$	2016 \$
7. Property and Equipment (cont.)			
Reconciliation			
Carrying value at beginning of the year		19,530	19,176
Additions		4,919	2,408
Disposals		-	-
Depreciation		<u>(2,676)</u>	<u>(2,054)</u>
Carrying value at end of year		<u>21,773</u>	<u>19,530</u>
8. Trade and Other Payables			
Trade Creditors		4,058	967
Payables to other reporting units		-	-
GST Payable		9,626	9,862
PAYG Tax Payable		3,384	5,530
Superannuation Payable		3,809	-
Other Payables		1,529	2,649
Trade and Other Payables		<u>22,406</u>	<u>19,008</u>
9. Subscriptions in Advance			
Subscriptions in Advance - Premises		11,755	49,011
Subscriptions in Advance - Branches		-	19,346
Subscriptions in Advance - Proprietors		-	-
Total Subscriptions in Advance		<u>11,755</u>	<u>68,357</u>
10. Unearned Funding			
Unearned Funding		69,140	70,640
Unearned Income		-	-
Total Unearned Funding		<u>69,140</u>	<u>70,640</u>
11. Provision for Employee Entitlements			
Provision for annual leave - Committee of Management		-	-
Provision for annual leave - Management		11,741	13,489
Provision for annual leave- Other Staff		9,831	9,521
Total Provision for Annual Leave		<u>21,572</u>	<u>23,010</u>

PHARMACY GUILD OF AUSTRALIA (NORTHERN TERRITORY BRANCH)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

	Note	2017 \$	2016 \$
11. Provision for Employee Entitlements (continued)			
Provision for long service leave - Management		43,715	31,506
Provision for long service leave - Other Staff		17,488	14,516
Total Provision for Long Service Leave		61,203	46,022
Separations and Redundancies		-	-
Total Provision for Separations and Redundancies		-	-
Total Provision for Employee Entitlements		82,775	69,032
Current		61,203	65,417
Non-current		-	3,615
		61,203	69,032
12. Accumulated Funds			
Balance at the Beginning of the Financial Year		174,437	174,437
Total comprehensive income (loss) for the year		-	-
Balance at the End of the Financial Year		174,437	174,437
13. Reconciliation of cash and cash equivalents			
Cash and cash equivalents at the end of the financial year as shown in the Statement of Cash flows is reconciled to the related items in the Statement of Financial Position as follows:			
(a) Reconciliation of cash and cash equivalents			
Cash at bank		188,816	198,617
Petty cash		100	100
Balance at the end of the year		188,916	198,717
(b) Reconciliation of profit from ordinary activities to net cash provided by operating activities			
Surplus from ordinary activities		-	-
Add / (less) non-cash items			
Depreciation		2,676	2,054
Loss on sale of assets		-	-
Cash provided by operating activities before change in assets and liabilities		2,676	2,054

PHARMACY GUILD OF AUSTRALIA (NORTHERN TERRITORY BRANCH)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

	Note	2017 \$	2016 \$
13. Reconciliation of cash and cash equivalents (continued)			
Change in assets and liabilities			
Movement in trade and other receivables		38,089	(36,423)
Movement in other assets		(4,685)	(334)
Movement in trade and other payables		3,398	(25,261)
Movement in provisions		13,743	21,782
Movement in subscriptions in advance		(56,603)	62,669
Movement in unearned funding		(1,500)	43,315
Net cash provided / (used) by operating activities		<u>(4,882)</u>	<u>67,802</u>
 Cash flow information:			
Total cash inflows		<u>602,063</u>	<u>518,149</u>
 Total cash outflows		<u>611,866</u>	<u>452,755</u>

14. Related Party Disclosures

(a) Transactions with Related Parties

The following persons held positions on the Branch Committee of Management or National Council during the reporting period:

From 1 July 2016 to 30 June 2017

BRANCH EXECUTIVE

President and National Councillor

Sotirios (Terry) Battalis

NT Vice President and Alternate National Councillor

Darryl Wakelin

Vice President - Finance

Adam Bennett

BRANCH COMMITTEE

Mark George

Shelley Forester

Nunzio Meta

Bradley Coleman

PHARMACY GUILD OF AUSTRALIA (NORTHERN TERRITORY BRANCH)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

	Note	2017 \$	2016 \$
14. Related Party Disclosures (continued)			
(b) Balances with Related Parties			
(i) Amounts Payable to Related Parties			
Other Branches - Current			
The Pharmacy Guild of Australia (National Secretariat)		-	1,529
The Pharmacy Guild of Australia (NSW Branch)		-	-
Outstanding payables are non interest bearing and are normally on a 30 days' term.			
(ii) Amounts Receivable from Related Parties			
Other Branches - Current			
The Pharmacy Guild of Australia (National Secretariat)		128,558	109,593
The Pharmacy Guild of Australia (NSW Branch)		192	-
The Pharmacy Guild of Australia (QLD Branch)		-	390
Guild Insurance Company		7,726	-
Outstanding receivables are unsecured, interest free, settlement occurs in cash and generally have 30 days' term.			
The following transactions took place with related parties during the reporting period:			
Other Branches			
The Pharmacy Guild of Australia National Secretariat			
- Membership Contributions paid by			
Northern Territory Branch		68,606	50,361
- Funding for Branch Support Subsidy		203,320	209,593
- Funding for Quality Care Pharmacy Program		119,302	81,991
- Funding for Other Projects		82,952	83,636
Gold Cross Products and Services Pty Ltd			
- Commission paid to Northern Territory Branch for			
distribution of its material		1,286	1,252
The Pharmacy Guild of Australia (QLD Branch) - APP Commission		4,674	4,162
Other Related Parties			
Subsidiaries of The Pharmacy Guild of Australia			
Fred IT Group - Commission		-	6,364
Guild Insurance Company Ltd			
- Commission received from Guild Insurance for			
business referred from Northern Territory members		-	7,491

PHARMACY GUILD OF AUSTRALIA (NORTHERN TERRITORY BRANCH)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

	Note	2017 \$	2016 \$
14. Related Party Disclosures (continued)			
(c) Key Management Personnel Compensation			
Wages and Salaries		128,472	125,471
Superannuation		14,298	14,298
Leave and other entitlements		10,461	8,996
Separation and redundancies		-	-
Other employee expenses		-	-
Total employee expenses - Key Management		153,231	148,765
<i>Other Transactions with Key Management Personnel</i>			
There were no other transactions with Key Management Personnel.			
15. Employee expenses			
Other Staff			
Wages and Salaries		228,288	189,118
Superannuation		26,892	22,203
Leave and other entitlements		3,281	12,786
Separation and redundancies		-	-
Other employee expenses		35,336	27,712
Total employee expenses - other staff		293,798	251,820
Total employee expenses - Key Management	14c	153,231	148,764
Total employee expenses		447,030	400,584
16. Capital and Leasing Commitments			
(a) Lease commitments			
<i>Non-cancellable operating leases - future minimum lease payments</i>			
Within one year		68,442	68,442
Later than one year but not later than 5 years		73,371	73,371
Later than 5 years		-	-
		141,813	141,813
(b) Capital Expenditure Commitments			
Plant and equipment purchases		-	-

PHARMACY GUILD OF AUSTRALIA (NORTHERN TERRITORY BRANCH)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

17. Compliance with Fair Work (Registered Organisations) Act 2009

Information to be provided to members or General Manager

The information that is prescribed by the *Fair Work (Registered Organisations) Act 2009* is available to members on request. Specifically subsections 272(1), (2) and (3) require the following:

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

18. Contingent Liabilities

The Branch had no contingent liabilities as at 30 June 2017 (nil in 2016).

19. Events Subsequent to end of Reporting Date

No matters have arisen since the end of the financial year which have significantly affected or may significantly affect the operations, results of operations and the state of affairs of the Branch in subsequent financial years.

The carrying amount of assets and liabilities as recorded in the financial statements and the realisation and settlement amounts of assets and liabilities have not changed materially since end of reporting date.

PHARMACY GUILD OF AUSTRALIA (NORTHERN TERRITORY)

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

20. Financial Risk Management

(a) General objectives, policies and processes

In common with all other businesses, the Branch is exposed to risks that arise from its use of financial instruments. This note describes the Branch's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Branch's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The Branch hold the following financial instruments:

	2017	2016
	\$	\$
Financial assets		
Cash and cash equivalents	188,916	198,717
Trade and other receivables	135,997	174,086
	<u>324,913</u>	<u>372,803</u>
Financial liabilities		
Trade and other payables	22,406	19,008
Subscription in advance	11,755	68,357
Unearned funding	69,140	70,640
	<u>103,301</u>	<u>158,005</u>

The Branch had no financial instruments that are carried at fair value as 30 June 2017 and 2016.

The Committee of Management have overall responsibility for the determination of risk management objectives and policies and, whilst retaining ultimate responsibility for them, they have delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the management team. The Branch's risk management policies and objectives are therefore designed to minimise the potential impacts of these risks on the results of the Branch where such impacts may be material. The Committee of Management receives monthly reports from management through which they review the effectiveness of the processes put in place and the appropriateness of the objectives and policies set.

The overall objective of the Committee of Management is to set policies that seek to reduce risk as far as possible without unduly affecting the Branch's flexibility. Further details regarding these policies are set out below:

PHARMACY GUILD OF AUSTRALIA (NORTHERN TERRITORY)

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

20. Financial Risk Management (continued)

(b) Credit Risk

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the Branch incurring a financial loss. Credit risk arises from cash assets and deposits with financial institutions, as well as credit exposures to the Branch's outstanding receivables and committed transactions. For banks and financial institutions, only independently rated parties with a minimum rating of "A" are accepted.

The maximum exposure to credit risk at the end of the reporting period is as follows:

	2017	2016
	\$	\$
Cash and cash equivalents	188,916	198,617
Trade and other receivables	135,997	174,086
	<u>324,913</u>	<u>372,703</u>

(c) Liquidity risk

Vigilant liquidity risk management requires the Branch to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Branch manages liquidity risk by maintaining adequate cash reserves by continually monitoring actual forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Maturity Analysis - 2017

Financial Liabilities	Carrying Amount	Contractual Cash flows	< 6 mths	6- 12 mths	1-3 years	> 3 years
	\$	\$	\$	\$	\$	\$
Non-interest bearing						
Trade and other payables	22,406	22,406	22,406	-	-	-
Subscription in advance	11,755	11,755	11,755	-	-	-
Unearned funding	69,140	69,140	69,140	-	-	-
TOTAL	<u>103,301</u>	<u>103,301</u>	<u>103,301</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial Assets	Carrying Amount	Contractual Cash flows	< 6 mths	6- 12 mths	1-3 years	> 3 years
	\$	\$	\$	\$	\$	\$
Non-derivatives						
Trade receivables	135,997	135,997	135,997	-	-	-
TOTAL	<u>135,997</u>	<u>135,997</u>	<u>135,997</u>	<u>-</u>	<u>-</u>	<u>-</u>

PHARMACY GUILD OF AUSTRALIA (NORTHERN TERRITORY)

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

20. Financial Risk Management (continued)

Maturity Analysis - 2016

Financial Liabilities	Carrying Amount	Contractual Cash flows	< 6 mths	6- 12 mths	1-3 years	> 3 years
	\$	\$	\$	\$	\$	\$
Non-interest bearing						
Trade and other payables	19,008	19,008	19,008	-	-	-
Subscription in advance	68,357	68,357	68,357	-	-	-
Unearned funding	70,640	70,640	70,640	-	-	-
TOTAL	158,005	158,005	158,005	-	-	-
Financial Assets	Carrying Amount	Contractual Cash flows	< 6 mths	6- 12 mths	1-3 years	> 3 years
	\$	\$	\$	\$	\$	\$
Non-derivatives						
Trade receivables	174,086	174,086	174,086	-	-	-
TOTAL	174,086	174,086	174,086	-	-	-



**THE PHARMACY GUILD OF AUSTRALIA
(NORTHERN TERRITORY BRANCH)**

OPERATING REPORT

I, Sotirios (Terry) Battalis, being the designated officer responsible for preparing this report for the financial year ended 30 June 2017 of The Pharmacy Guild of Australia (Northern Territory Branch), report as follows:

- (a) Principal Activities:
- (i) The Pharmacy Guild of Australia (Northern Territory 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 (Northern Territory Branch) assists the National Council and the National Executive of The Pharmacy Guild of Australia ("the Guild") in carrying out the overall policy and objectives of the Guild.
 - (iii) During the year, the principal activities of The Pharmacy Guild of Australia (Northern Territory Branch) consisted of representing the interest of its members to maintain community pharmacies as the most primary providers of healthcare to the community through optimum therapeutic use of drugs, drug management and related services. There were no significant changes in the nature of these activities during the year under review.
- (b) Significant financial changes:
There have been no significant changes in The Pharmacy Guild of Australia (Northern Territory Branch) financial affairs during the period to which this report relates.
- (c) Members' Advice:
- (i) 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 as described in Rule 36 of the Constitution of The Pharmacy Guild of Australia;
 - (ii) The register of members of the organisation was maintained in accordance with the Fair Work (Organisations) Act 2009.
- (d) Officers of the organisation holding the position of a trustee of superannuation entity are as follows:
- Sotirios (Terry) Battalis as Trustee for Battalis Super Pty Ltd ATF Battalis Super Fund.
- (e) Prescribed and other information:
- (i) As at 30 June 2017, to which this report relates, the number of members of the organisation was 19 (nineteen) including Honorary Life Members;
 - (ii) As at 30 June 2017 the total number of employees employed by the reporting entity was seven;
 - (iii) During the reporting period the following persons were members of the committee of management of The Pharmacy Guild of Australia (Northern Territory Branch):



**The Pharmacy
Guild of Australia**

From 1 July 2016 to 30 June 2017

BRANCH EXECUTIVE

NT President & National Councillor	Sotirios (Terry) Battalis
NT Senior Vice President & Alternate National Councillor	Darryl Wakelin
NT Vice President – Finance	Adam Bennett

BRANCH COMMITTEE

Mark George
Nunzio Meta
Shelley Forester
Bradley Coleman

(f) Insurance of Officers:

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

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Sotirios (Terry) Battalis
24 August 2017

Date: