



21 April 2015

Mr Ian Todd
President
Pharmacy Guild of Australia, South Australia
233-235 Greenhill Road
Dulwich SA 5065

via e-mail: michael.robertson@sa.guild.org.au

Dear Mr Todd

**Pharmacy Guild of Australia, South Australia
Financial Report for the year ended 30 June 2014 - FR2014/111**

I acknowledge receipt of the amended financial report for the year ended 30 June 2014 for the Pharmacy Guild of Australia, South Australia. The amended financial report was lodged with the Fair Work Commission (FWC) on 16 April 2015.

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

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 8661 7675 or by email at ken.morgan@fwc.gov.au

Yours sincerely

Ken Morgan
Financial Reporting Advisor
Regulatory Compliance Branch



Designated Officer's Certificate or other Authorised Officer

I Ian Todd, being the Branch President of the Pharmacy Guild of Aust (SA Branch) certify:

- that the documents lodged herewith are copies of the full report referred to in s268 of the Fair Work (Registered Organisations) Act 2009; and
- that the full financial report provided free of charge to members as referred to in s265, was provided to members on 22nd September 2014 and
- that the full report was presented to a general meeting of members of the reporting unit on the 29th October 2014 in accordance with section s266 of the Fair Work (Registered Organisations) Act 2009.

Signature

Date: 4th November 2014

¹*The relevant regulations prescribe the designated officer for the purpose of s268 of the Fair Work (Registered Organisations) Act 2009 as:*

- (a) the secretary; or
- (b) an officer of the organisation other than the secretary who is authorised by the organisation or by the rules of the organisation to sign the certificate mentioned in that paragraph.

Level 1,
67 Greenhill Rd
Wayville SA 5034

Correspondence to:
GPO Box 1270
Adelaide SA 5001

T 61 8 8372 6666
F 61 8 8372 6677
E info.sa@au.gt.com
W www.grantthornton.com.au

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

We have audited the accompanying financial report of The Pharmacy Guild of Australia (SA Branch) (the "Company"), which comprises the statement of financial position as at 30 June 2014, 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 statement by the Branch Committee.

Responsibility of the Branch Committee for the financial report

The Branch Committee of the Company is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards the Fair Work (Registered Organisations) Act 2009 and the Fair Work (Registered Organisations) Regulations 2009. This responsibility includes such internal controls as the Branch Committee determine are necessary to enable the preparation of the financial report to be free from material misstatement, whether due to fraud or error. The Branch Committee also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, the financial statements and notes, comply with International Financial Reporting Standards.

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.

Grant Thornton Audit Pty Ltd ACN 130 913 594
a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Australia Ltd is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate one another and are not liable for one another's acts or omissions. In the Australian context only, the use of the term 'Grant Thornton' may refer to Grant Thornton Australia Limited ABN 41 127 556 389 and its Australian subsidiaries and related entities. GTIL is not an Australian related entity to Grant Thornton Australia Limited.

Liability limited by a scheme approved under Professional Standards Legislation. Liability is limited in those States where a current scheme applies.

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.

In making those risk assessments, the auditor considers internal control relevant to the Branch'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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Branch Committee, 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 (SA Branch),
 - i presents fairly, in all material respects, the Company's financial position as at 30 June 2014 and of its performance and cash flows for the year then ended ; and
 - ii complies with Australian Accounting Standards and all requirements of Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.; and

the financial report also complies with International Financial Reporting Standards as disclosed in the notes to the financial statements.

- b the financial report of The Pharmacy Guild of Australia (SA Branch) is prepared on going concern basis which is appropriate.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



J L Humphrey
Partner – Audit & Assurance
Registered Company Auditor #321465

Adelaide, 11 September 2014

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

OPERATING REPORT YEAR ENDED 30 JUNE 2014

Your Branch Committee present their report on the Pharmacy Guild of Australia (SA Branch) for the financial year ended 30 June 2014.

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

- I.P. Todd (Branch President – National Councillor)
- P.D. Simmons (Vice President – Finance)
- N. Panayiaris (Senior Vice President/National Councillor)
- S. McGregor
- Z. Seman
- L. Broomhead
- G Scarlett
- H Flannery
- A Doan
- T Huynh (appointed December 2012)

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

The profit of the Branch for the financial year amounted to \$6,152 (2013: profit of \$74,997).

Principal Activities

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

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

No officer or member of the Branch is a trustee or a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme.

Members Advice

- (i) Under Section 174 of the Fair Work (Registered Organisation) Act 2009, a member may resign from membership by written notice addressed and delivered to the Branch Director in accordance with Rule 36 of the Guild's Constitution.
- (ii) The register of members of the organisation was maintained in accordance with the Fair Work (Registered Organisations) Act 2009; and
- (iii) Section 272 of the Fair Work (Registered Organisations) Act 2009 outlines members and the Branches rights to certain prescribed information.

The number of persons who were, at the end of the financial year to which the report relates, recorded in the register of members under Section 230 of the Registration and Accountability of Organisations (RAO) Schedule and which are taken to be members of the Branch under section 244 of the RAO Schedule was 291 members.

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

**OPERATING REPORT (CONT)
YEAR ENDED 30 JUNE 2014**

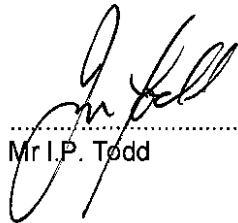
Insurance of Officers

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

The number of persons who were, at the end of the financial year to which the report relates, employees of the Branch, where the number of employees includes both full time employees and part time employees measured on a full time equivalent basis was 15.2

Signed in accordance with a resolution of the Branch Committee:

Branch President



.....
Mr I.P. Todd

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

**BRANCH COMMITTEE STATEMENT
YEAR ENDED 30 JUNE 2014**

On the 11th September 2014, we Ian Philip Todd, and Paul David Simmons, being the Branch President and Vice President (Finance) of The Pharmacy Guild of Australia (SA Branch) passed the following resolution in relation to the general purpose financial report (GPRF) for the year ended 30 June 2014:

We declare that in our opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with 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 a 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 RO Act; and
- (f) the Guild has not derived revenue from undertaking recovery of wages activity

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

Signed this 11th day of September 2014

.....
I P Todd

.....
P D Simmons

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2014**

	Note	2014 \$	2013 \$
Revenue	3	2,818,265	2,778,783
Employee expenses	5	1,462,189	1,329,202
Depreciation		84,950	86,221
Electricity		16,088	19,725
Finance costs		52,501	58,251
Insurance		25,958	25,539
Leasing Equipment		19,238	19,238
Rates and Taxes		52,381	50,825
Membership expense - National		465,019	441,324
Telephone		27,307	24,608
Loss on disposal of fixed assets		2,567	-
Other expenses	4	603,915	648,853
Profit for the year		6,152	74,997
Other comprehensive income			
Net gain on the revaluation of property, plant and equipment recognised directly in equity		-	-
Total other comprehensive income for the year		-	-
Total comprehensive income for the year		6,152	74,997

The accompanying notes form part of these financial statements

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014

	Note	2014 \$	2013 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	601,173	251,388
Trade and other receivables	7	147,363	190,855
Other current assets	8	33,191	25,371
TOTAL CURRENT ASSETS		<u>781,727</u>	<u>467,614</u>
NON-CURRENT ASSETS			
Property, plant and equipment	9	2,167,497	2,189,612
Investment property	10	1,013,334	1,013,334
TOTAL NON-CURRENT ASSETS		<u>3,180,831</u>	<u>3,202,946</u>
TOTAL ASSETS		<u>3,962,558</u>	<u>3,670,560</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	205,558	149,954
Income received in advance		278,267	164,023
Short-term provisions	12	301,779	264,802
Borrowings	13	25,422	11,150
TOTAL CURRENT LIABILITIES		<u>811,026</u>	<u>589,929</u>
NON-CURRENT LIABILITIES			
Borrowings	13	1,113,064	1,048,315
TOTAL NON CURRENT LIABILITIES		<u>1,113,064</u>	<u>1,048,315</u>
TOTAL LIABILITIES		<u>1,924,090</u>	<u>1,638,244</u>
NET ASSETS		<u>2,038,468</u>	<u>2,032,316</u>
EQUITY			
Reserves		355,430	355,430
Retained earnings		1,683,038	1,676,886
TOTAL EQUITY		<u>2,038,468</u>	<u>2,032,316</u>

The accompanying notes form part of these financial statements

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2014

	Asset Revaluation Reserve \$	Retained Earnings \$	Total \$
Balance as at 1 July 2012	355,430	1,601,889	2,032,316
Profit for the year	-	74,997	74,997
Other comprehensive income for the year	-	-	-
Closing balance as at 30 June 2013	355,430	1,676,886	2,032,316
Profit for the year	-	6,152	6,152
Other comprehensive income for the year	-	-	-
Closing balance as at 30 June 2014	355,430	1,683,038	2,038,468

The accompanying notes form part of these financial statements

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2014**

	Note	2014 \$	2013 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from other reporting units	17(d)	474,270	706,851
Receipts from customers		2,495,743	2,013,485
Payments to other reporting units	17	(532,745)	(488,466)
Payments to suppliers and employees		(2,070,519)	(2,060,362)
Interest received		21,919	14,979
Borrowing costs		(52,501)	(58,251)
Net cash provided by operating activities	17(b)	<u>336,167</u>	<u>128,236</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		21,818	-
Purchase of property, plant and equipment		(87,221)	(29,762)
Net cash (used in) investing activities		<u>(65,403)</u>	<u>(29,762)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds of borrowings		79,020	-
Repayments of borrowings		-	(10,390)
Net cash (used in) financing activities		<u>79,020</u>	<u>(10,390)</u>
Net (decrease)/increase in cash and cash equivalents		349,785	88,084
Cash and cash equivalents at the beginning of the year		<u>251,388</u>	<u>163,304</u>
Cash and cash equivalents at the end of the year	17(a)	<u>601,173</u>	<u>251,388</u>

The accompanying notes form part of these financial statements

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

RECOVERY OF WAGES ACTIVITY
FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	\$	\$
Cash assets in respect of recovered money at beginning of year	-	-
Receipts		
Amounts recovered from employers in respect of wages etc.	-	-
Interest received on recovered money	-	-
Total receipts	-	-
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 of:		
Deductions of fees or reimbursement of expenses	-	-
Payments to workers in respect of recovered money	-	-
Total payments	-	-
Cash asset's in respect of recovered money at end of year	-	-
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 PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2014**

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation of the financial statements

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

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

The financial statements have been prepared on an accrual basis and in accordance with the historical cost, except for certain assets and liabilities measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

Comparative amounts

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

Significant accounting judgements and estimates

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

New Australian Accounting Standards

Adoption of New Australian Accounting Standard Requirements

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

The accounting policies adopted are consistent with those of the previous financial year except as follows:

AASB 13 Fair Value Measurements

AASB 13 clarifies the definition of fair value and provides related guidance and enhanced disclosures about fair value measurements. It does not affect which items are required to be fair-valued. The scope of AASB 13 is broad and it applies for both financial and non-financial items for which other Australian Accounting Standards require or permit fair value measurements or disclosures about fair value measurements, except in certain circumstances. AASB 13 applies prospectively for annual periods beginning on or after 1 January 2013. Its disclosure requirements need not be applied to comparative information in the first year of application. The Guild has however included as comparative information the AASB 13 disclosures that were required previously by AASB 7 Financial Instruments: Disclosures.

The Guild has applied AASB 13 for the first time in the current year.

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2014**

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

New Australian Accounting Standards (Cont)

Amendments to AASB 119 Employee Benefits

The 2011 amendments to AASB 119 made a number of changes to the accounting for employee benefits, the most significant relating to defined benefit plans. Under the amendments, employee benefits 'expected to be settled wholly' (as opposed to 'due to be settled' under the superseded version of AASB 119) within 12 months after the end of the reporting period are short-term benefits, and are therefore not discounted when calculating leave liabilities. As the Guild does not expect all annual leave for all employees to be used wholly within 12 months of the end of reporting period, annual leave is included in 'other long-term benefit' and discounted when calculating the leave liability. This change has had no impact on the presentation of annual leave as a current liability in accordance with AASB 101 Presentation of Financial Statements.

Future Australian Accounting Standard Requirements

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

- AASB 9 Financial Instruments (December 2010) (effective 1 January 2018)
- AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities (effective 1 January 2014)
- AASB 2013-3 Recoverable Amount Disclosures for Non-Financial Assets (effective 1 January 2014)
- AASB 2014-1 Amendments to Australian Accounting Standards (Part A: Annual Improvements 2010–2012 and 2011–2013 Cycles) (effective 1 July 2014)
- AASB 2014-1 Amendments to Australian Accounting Standards (Part D: Consequential Amendments arising from AASB 14) (effective 1 January 2016)
- AASB 2014-1 Amendments to Australian Accounting Standards (Part E: Financial Instruments) (effective 1 January 2015)
- Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38) (effective 1 January 2016)

Management have yet to assess the impact of these standards on the reported position of the Guild.

Accounting Policies

(a) Income Tax

The income of the Guild is exempt from income tax under Section 50.1 of the Income Tax Assessment Act 1997 however still has obligation for Fringe Benefit Tax (FBT) and the Goods and Services Tax (GST).

(b) Property, Plant and Equipment

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

(i) Investment Property

The land and buildings owned by the branch on Greenhill Road, Dulwich has been disclosed as an investment property to the extent that it is available for occupation by external tenants.

Investment properties are measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit and loss in the period in which they arise.

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(b) Property, Plant and Equipment (Cont)

(ii) *Property*

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

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

(iii) *Plant and equipment*

Plant and equipment is measured on the cost basis less depreciation and impairment losses.

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 those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to present values in determining recoverable amounts.

Depreciation

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

The depreciation rates used for each class of depreciable asset are:

Class of Fixed Asset	Depreciation Rate
Office equipment and furniture	10% - 33 1/3 %
Motor vehicles	15-20%
Buildings	2.50%

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

(c) **Financial Instruments**

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Branch commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted). Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Finance instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or costs. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(c) **Financial Instruments (Cont)**

Amortised cost is calculated as:

- i. the amount at which the financial asset or financial liability is measured at initial recognition;
- ii. less principal repayments;
- iii. plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and
- iv. less any reduction for impairment.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

(i) *Financial assets at fair value through profit or loss*

Financial assets are classified at 'fair value through profit or loss' when they are held for trading for the purpose of short-term profit taking where they are derivatives not held for hedging purposes when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) *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 subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period, which will be classified as non-current assets.

(iii) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments and it is the entity's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period, which will be classified as current assets

If during the period the Branch sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire category of held-to-maturity investments would be tainted and would be reclassified as available-for-sale.

(iv) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed determinable payments. Available-for-sale financial assets are included in non-current assets, except for those which are expected to be disposed of within 12 months after the end of the reporting period, which will be classified as current assets.

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2014**

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(c) Financial Instruments (Cont)

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Impairment of Financial Assets

At each reporting date, the entity assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of profit or loss and other comprehensive income.

Derecognition

Financial assets are derecognised where the contractual right to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(d) Other Financial Liabilities

Other financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

(e) Impairment of Assets

At each reporting date, the Guild reviews the carrying values of its tangible and intangible 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 profit or loss and other comprehensive income.

Where it is not possible to estimate the recoverable amount of an assets class, the Guild estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

(f) Employee Benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and termination benefits when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities for short-term employee benefits (as defined in AASB 119 Employee Benefits) and termination benefits which are expected to be settled within twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits which are expected to be settled beyond twelve months are measured as the present value of the estimated future cash outflows to be made by the reporting unit in respect of services provided by employees up to reporting date.

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

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2014**

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(g) Leases

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

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

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

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

(h) Borrowing costs

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

(i) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

(j) Accrued Expenses

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

(k) Trade and Other Debtors

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

(l) Revenue

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

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

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

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

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

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

(m) Gains - sale of assets

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

(n) Capitation fees and levies

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

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2014**

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(o) Goods and Services Tax (GST)

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

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

(p) Provisions

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

(q) Government grants

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

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

(r) Fair value measurement

The Guild measures financial instruments, such as, financial asset as at fair value through the profit and loss, available for sale financial assets, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Guild. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2014**

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(r) Fair value measurement (Cont)

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

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

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

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

(s) Economic dependency

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

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2014**

NOTE 2 - EVENTS AFTER THE REPORTING PERIOD

There were no events that occurred after 30 June 2014, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Guild.

	2014	2013
	\$	\$
NOTE 3 - REVENUE		
Operating Activities		
Members subscriptions	786,965	746,916
Nominal members subscription	1,086	1,034
Clearing house subscription	10,900	6,930
Administration fees - SA Pharmacists Co-operative Ltd	-	909
Commissions	220,560	232,152
Training income including Northern Territory	637,762	490,085
Quality care income	153,421	178,334
Needle exchange programme	79,568	77,250
QUMAX income	-	17,680
Sundry income	17,600	48,934
Pharmacy Liaison Officer	110,181	75,000
Rental revenue	89,651	87,871
Payroll services	682,652	606,095
Community Strategy Program	6,000	139,360
Community Pharmacy Campaign	-	24,675
Sponsorship Forum	-	30,579
Capitation fees	-	-
Levies	-	-
	<u>2,796,347</u>	<u>2,763,804</u>
Non-Operating Activities		
Interest received from other persons	<u>21,919</u>	<u>14,979</u>
	<u>2,818,265</u>	<u>2,778,783</u>

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	\$	\$
NOTE 4 - OTHER EXPENSES FROM ORDINARY ACTIVITIES		
Remuneration of auditor		
- audit or review services	10,720	10,900
Total remuneration	10,720	10,900
Advertising	9,594	6,722
Bank fees	12,072	10,915
Capitation fees	-	-
Committee Expenses	16,496	13,676
Catering	4,073	2,575
Cleaning	11,520	13,515
Compulsory levies	-	-
Conference and meeting expenses	3,263	6,380
Consideration to employers for payroll deductions	-	-
Grants:		
- total paid that were \$1,000 or less	-	-
- total paid that exceeded \$1,000	-	-
Donations:		
- total paid that were \$1,000 or less	-	-
- total paid that exceeded \$1,000	22,951	20,834
Entertainment	8,682	10,609
Fees/allowances - meeting and conferences	-	-
IT expenses	41,904	27,166
Legal costs	3,466	4,573
Motor vehicles	25,131	14,509
Payroll service	178,752	176,739
Postage & freight	14,123	13,115
Pharmacy forum	-	61,693
Printing & stationery	31,971	55,413
Penalties - via RO Act or RO Regulations	-	-
Affiliation fees to political or industrial body	-	12,531
Subscriptions & memberships	7,973	7,411
Travel expense	30,164	19,472
Waste management	48,526	41,300
Consultant fees	31,127	36,095
Repairs and maintenance	9,378	10,393
Sundry expenses	82,029	72,317
	603,915	648,853

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	\$	\$
NOTE 5 - EMPLOYEE EXPENSES		
Holders of Office		
Wages and salaries	75,122	79,036
Superannuation	-	-
Leave and other entitlements	-	-
Separation and redundancies	-	-
Other employee expenses	10,550	6,291
Subtotal employee expenses holders of office	<u>85,672</u>	<u>85,327</u>
Employees other than office holders:		
Wages and salaries	1,024,009	916,414
Superannuation	139,158	126,042
Leave and other entitlements	117,929	131,957
Separation and redundancies	24,392	-
Other employee expenses	71,029	69,462
Subtotal employee expenses employees other than holders of office	<u>1,376,517</u>	<u>1,243,875</u>
Total employee benefits expense	<u>1,462,189</u>	<u>1,329,202</u>

NOTE 6 - CASH AND CASH EQUIVALENTS

Cash on hand	200	200
Cash at bank	600,973	251,188
	<u>601,173</u>	<u>251,388</u>

NOTE 7 - TRADE AND OTHER RECEIVABLES

CURRENT

<i>Receivable from other reporting units</i>		
National Secretariat	154	54,713
Pharmacy Guild of Australia (NSW Branch)	268	-
Total receivables from other reporting units	<u>422</u>	<u>54,713</u>
Less provision for doubtful debts	-	-
Receivables from other reporting units (net)	<u>422</u>	<u>54,713</u>
Trade receivables	84,169	18,397
Less provision for doubtful debts	(800)	(800)
Trade receivables (net)	<u>83,369</u>	<u>17,597</u>
Other debtors	42,355	107,994
GST receivable from Australian Taxation Office	21,217	10,552
Other receivables	<u>63,572</u>	<u>118,546</u>
Total Current Trade and Other Receivables	<u>147,363</u>	<u>190,855</u>

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2014

	2014 \$	2013 \$
NOTE 8 - OTHER CURRENT ASSETS		
CURRENT		
Prepayments	33,191	25,371
	<u>33,191</u>	<u>25,371</u>
 NOTE 9 - PROPERTY, PLANT AND EQUIPMENT		
NON CURRENT		
Land		
Land - at valuation	1,200,000	1,200,000
Building - at valuation	826,666	826,666
Less accumulated depreciation	<u>(82,667)</u>	<u>(62,000)</u>
Total Buildings	<u>743,999</u>	<u>764,666</u>
Total Land and Buildings	<u>1,943,999</u>	<u>1,964,666</u>
Plant and Equipment		
Office equipment and furniture - at cost	292,588	298,373
Less accumulated depreciation	<u>(194,353)</u>	<u>(163,817)</u>
	<u>98,235</u>	<u>134,556</u>
Motor vehicles - at cost	150,865	172,305
Less accumulated depreciation	<u>(25,602)</u>	<u>(81,915)</u>
	<u>125,263</u>	<u>90,390</u>
Total Plant and Equipment	<u>223,498</u>	<u>224,946</u>
Total Property, Plant and Equipment	<u>2,167,497</u>	<u>2,189,612</u>

(a) Valuations of land and buildings

The valuation basis of land and building is fair value being the amounts for which the assets could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location and condition.

As at the date of revaluation February 2012, the properties fair values were based on valuations performed by a member of the Australian Property Institute.

At 30 June 2014, the committee members are of the opinion that the carrying amount of the property approximate the fair value.

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2014**

NOTE 9 - PROPERTY, PLANT AND EQUIPMENT (CONT)

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

	Land	Buildings	Equipment & Furniture	Motor Vehicles	Total
	\$	\$	\$	\$	\$
2014					
Balance at the beginning of the year	1,200,000	764,666	134,556	90,390	2,189,612
Additions	-	-	2,046	85,174	87,220
Write offs	-	-	-	(24,385)	(24,385)
Depreciation expense	-	(20,667)	(38,367)	(25,916)	(84,950)
Revaluation	-	-	-	-	-
Carrying amount at the end of the year	1,200,000	743,999	98,235	125,263	2,167,497
2013					
Balance at the beginning of the year	1,200,000	785,332	144,504	116,235	2,246,071
Additions	-	-	29,761	-	29,761
Write offs	-	-	-	-	-
Depreciation expense	-	(20,666)	(39,709)	(25,846)	86,221
Revaluation	-	-	-	-	-
Carrying amount at the end of the year	1,200,000	764,666	134,556	90,390	2,189,612

2014 **2013**
\$ \$

NOTE 10 - INVESTMENT PROPERTY

Investment Property

1,013,334 1,013,334

As at the date of revaluation February 2012, the properties fair values are based on valuations performed by a member of the Australian Property Institute. At 30 June 2014, the committee members are of the opinion that the carrying amount of the property approximate the fair value.

Rental income earned and received from investment properties during the year \$89,651 (2013: \$87,871). Direct expenses incurred in relation to the investment properties that generated rental income during the year was \$5,885 (2013:\$5,243). The Guild does not have any contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

NOTE 11 - TRADE AND OTHER PAYABLES

CURRENT

Trade creditors and accruals	191,807	143,629
Consideration to employers for payroll deductions	-	-
Legal costs	-	-
GST payable	13,751	6,325
	<u>205,558</u>	<u>149,954</u>

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2014**

	2014 \$	2013 \$
NOTE 12 - EMPLOYEE PROVISIONS		
EMPLOYEES OTHER THAN OFFICE HOLDERS		
Annual Leave	112,038	103,642
Long Service Leave	144,874	132,560
Separations and redundancy	-	-
Subtotal employee provisions	<u>256,912</u>	<u>236,202</u>
OFFICE HOLDERS		
Annual Leave	23,105	10,450
Long Service Leave	<u>21,762</u>	<u>18,150</u>
Subtotal employee other than office holders provisions	<u>44,867</u>	<u>28,600</u>
Aggregate employee entitlement liability	<u>301,779</u>	<u>264,802</u>
Number of employees at year end	<u>22</u>	<u>20</u>

NOTE 13 - FINANCIAL BORROWINGS

CURRENT

Hire purchase - Guild Insurance - secured (a)	<u>25,422</u>	<u>11,150</u>
	<u>25,422</u>	<u>11,150</u>

NON CURRENT

Hire purchase - Guild Insurance- secured (a)	113,064	48,315
Loan from Guild Insurance - secured (b)	<u>1,000,000</u>	<u>1,000,000</u>
Total Financial Borrowings	<u>1,113,064</u>	<u>1,048,315</u>

(a) The Hire purchase liability is for two motor vehicles. The vehicles act as security.

(b) The Loan from Guild Insurance Limited for \$1,000,000 is secured by a mortgage over the land (233-235 Greenhill Road, Dulwich SA). Interest is payable on the loan at a variable interest rate for a fixed term of 2 years. The loan is due for repayment in January 2016.

NOTE 14 - CAPITAL AND LEASING COMMITMENTS

The Branch has the following operating lease commitments relating to photocopiers:

- Within one year	17,336	17,336
- Later than one year but less than three years	-	<u>17,336</u>
Total	<u>17,336</u>	<u>34,672</u>

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2014**

NOTE 15 - RELATED PARTY DISCLOSURES

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

N Panayiaris	P Simmons (Vice President)
L Broomhead	I Todd (President)
S McGregor	A Doan
Z Seman	H Flannery
G Scarlett	T Huynh

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

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

	2014	2013
	\$	\$
Committee Members' remuneration		
- Gross remuneration	85,672	85,327
Total remuneration	<u>85,672</u>	<u>85,327</u>
Remuneration - employees including Branch Director (other than holders of office)	<u>1,408,350</u>	<u>1,243,875</u>
The aggregate amount of employee benefits payable to the Branch Director	<u>10,483</u>	<u>15,832</u>

- d) The aggregate amount paid during the year to a superannuation fund by The Pharmacy Guild of Australia (SA Branch) in connection with the retirement of any Branch Committee Member or Branch Director and not included as remuneration as above was Nil (2013: Nil).

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

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

Guild Insurance Ltd	24,043	10,000
Gold Cross Products and Services	6,000	10,000

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

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

Guild Insurance Ltd	181,454	188,225
Gold Cross Products and Services	22,353	41,774

- h) The aggregate of membership expenses paid to the ultimate controlling entity
- | | | |
|--|---------|---------|
| | 456,153 | 432,183 |
|--|---------|---------|

The aggregate of membership expenses payable to the ultimate controlling entity

	-	-
--	---	---

- i) Amount receivable/(payable) to related parties:
- | | | |
|---|-----------|----------|
| - Guild Insurance - Hire purchase liabilities | (138,485) | (59,465) |
| - Pharmacy Guild Australia | (2,774) | 15,380 |

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 15 - RELATED PARTY DISCLOSURES

	2014	2013
	\$	\$
i) Amount (payable) to related parties:		
- Pharmacy Guild (NT Branch)	(2,200)	-
- Pharmacy Guild (TAS Branch)	(2,750)	-
- Pharmacy Guild (WA Branch)	(6,050)	-

NOTE 16 - KEY MANAGEMENT PERSONNEL REMUNERATION

Short-term employee benefits		
Salary (including annual leave taken)	122,512	135,234
Annual leave accrued	23,105	10,450
Total short-term employee benefits	<u>145,617</u>	<u>145,684</u>
Post-employment benefits:		
Superannuation	<u>15,961</u>	<u>16,879</u>
Total post-employment benefits	<u>15,961</u>	<u>16,879</u>
Other long-term benefits:		
Long-service leave	<u>21,762</u>	<u>18,150</u>
Total other long-term benefits	<u>21,762</u>	<u>18,150</u>
Termination benefits	<u>-</u>	<u>-</u>
Total	<u>183,340</u>	<u>180,713</u>

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2014**

	2014 \$	2013 \$
NOTE 17 - CASH FLOW INFORMATION		
(a) Reconciliation of cash:		
Cash on hand	200	200
Cash at bank	600,973	251,188
	<u>601,173</u>	<u>251,388</u>
(b) Reconciliation of profit from operations to net cash provided by operating activities:		
Profit from operations	6,152	74,997
Non-cash flows in profit from operations:		
Depreciation - property, plant and equipment	84,950	86,221
Loss on plant equipment	2,567	-
Changes in assets and liabilities:		
Decrease in receivables	43,492	25,317
(Increase)/decrease in prepayments	(7,820)	12,172
Increase/(decrease) in payables/unearned income	169,848	(224,031)
Increase in provisions	36,977	153,560
Net cash provided by operating activities	<u>336,167</u>	<u>128,236</u>
(c) At balance date, the Branch had a loan outstanding of \$1,000,000 (2013: \$1,000,000). The loan does not have a redraw facility and repayments can be made at any time.		
(d) Cash flows from		
Guild Insurance Ltd	181,454	188,225
Gold Cross Products and Services	22,353	41,773
Pharmacy Guild of Australia National Secretariat	263,602	410,374
Pharmacy Guild of Australia NSW	2,710	2,153
Pharmacy Guild of Australia QLD	4,151	5,587
Pharmacy Guild of Australia VIC	-	58,739
	<u>474,270</u>	<u>706,851</u>
(e) Cash flows to		
Pharmacy Guild of Australia National Secretariat	509,793	483,857
Pharmacy Guild of Australia NSW	2,000	1,357
Pharmacy Guild of Australia TAS	4,500	1,962
Pharmacy Guild of Australia VIC	5,608	1,290
Pharmacy Guild of Australia ACT	53	-
Pharmacy Guild of Australia QLD	291	-
Pharmacy Guild of Australia WA	10,500	-
	<u>532,745</u>	<u>488,466</u>
NOTE 18 - REMUNERATION OF AUDITORS		
Financial statement audit services	10,720	10,900
Other services	11,300	-
Total remuneration of auditors	<u>22,020</u>	<u>10,900</u>

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2014**

NOTE 19 - FINANCIAL RISK MANAGEMENT

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

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

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

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

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

The gearing ratios for the years ended 30 June 2014 and 30 June 2013 are as follows:

	2014	2013
	\$	\$
Total Borrowings	1,138,486	1,059,465
Less cash and cash equivalents	<u>(601,173)</u>	<u>(251,388)</u>
Net debt	<u>537,313</u>	<u>808,077</u>
Total equity (reserves + retained earnings)	<u>2,038,468</u>	<u>2,032,316</u>
Total capital	<u>2,575,781</u>	<u>2,840,393</u>
Gearing ratio	21%	28%

Credit Risk - Trade and Other Receivables

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

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

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2014**

NOTE 19 - FINANCIAL RISK MANAGEMENT (CONT)

The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

	Gross Amount \$	Past due and impaired \$	Past due but not impaired (days overdue)				Within initial trade terms \$
			<30 \$	31-60 \$	61-90 \$	>90 \$	
2014							
Trade and term receivables	84,591	800	50,287	5,789	1,157	27,358	169,982
Other receivables	42,355	-	42,355	-	-	-	84,710
Total	126,946	800	92,642	5,789	1,157	27,358	254,692
2013							
Trade and term receivables	73,109	800	67,826	858	222	4,202	67,826
Other receivables	118,546	-	118,546	-	-	-	118,546
Total	191,655	800	186,372	858	222	4,202	186,372

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

Fair value measurement of non financial assets

The following table shows the Levels within the hierarchy of non-financial assets measured at fair value on a recurring basis at 30 June 2014:

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Land and buildings	-	-	2,026,666	2,026,666
Investment property	-	-	1,013,334	1,013,334

Fair value of the property assets is estimated based on appraisals performed by independent, professionally-qualified property valuers. The significant inputs and assumptions are developed in close consultation with management. The valuation processes and fair value changes are reviewed by the Branch Committee.

NOTE 20 - BRANCH DETAILS

The principal place of business of the branch is:

The Pharmacy Guild of Australia (SA Branch)
233 - 235 Greenhill Road
DULWICH SA 5065

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2014**

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

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

- (1) "A Member of a reporting unit, or the 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).