



FAIR WORK  
COMMISSION

13 November 2015

Mr Nicholas Panayiaris  
Branch President, South Australian Branch  
The Pharmacy Guild of Australia

Sent via email: [Michael.Robertson@sa.guild.org.au](mailto:Michael.Robertson@sa.guild.org.au)

Dear Mr Panayiaris

**Re: Lodgement of Financial Statements and Accounts – The Pharmacy Guild of Australia, South Australian Branch - for year ended 30 June 2015 (FR2015/100)**

I refer to the financial report for the South Australian Branch of The Pharmacy Guild of Australia. The report was lodged with the Fair Work Commission on 22 October 2015. A copy of the Designated Officer's Certificate was received today.

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

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

You are not required to take any further action in respect of the report lodged but I make the following comment to assist you when preparing the next report.

Disclosure of grants or donations

Reporting Guideline 16(e) requires, in part, that where donations have been paid, the total amount paid is to be disclosed as follows:

- (iii) donations that were \$1,000 or less; and
- (iv) donations that exceeded \$1,000

Note 4 disclosed a total of \$17,239 paid in donations that exceeded \$1,000. I note the advice of Mr Michael Robertson that this amount did not distinguish between the total amounts paid for each of the categories as described above.

Reporting Requirements

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

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted by email at [stephen.kellett@fwc.gov.au](mailto:stephen.kellett@fwc.gov.au) \_\_\_\_\_

Yours sincerely

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

Stephen Kellett  
Senior Adviser  
Regulatory Compliance Branch



Designated Officer's Certificate or other Authorised Officer

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I Nicholas Panayiaris, 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 23<sup>rd</sup> September 2015 and
- that the full report was presented to a general meeting of members of the reporting unit on the 21<sup>st</sup> October 2015 in accordance with section s266 of the Fair Work (Registered Organisations) Act 2009.

Nicholas Panayiaris  
Branch President

Date: 13<sup>th</sup> November 2015

<sup>1</sup> *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.

**From:** KELLETT, Stephen  
**Sent:** Friday, 13 November 2015 10:30 AM  
**To:** 'Michael.Robertson@sa.guild.org.au'  
**Subject:** Financial reporting - y/e 30 June 2015 - request for further documentation

Dear Mr Robertson

I refer to the financial statements of the South Australian Branch which were received on 22 October and draw your attention to the following:

- (1) The documentation did not appear to include a copy of the "Designated Officer's Certificate" (as required under section 268 of the Act.) This is the document that certifies when the full report was provided to the members for the purposes of section 265 and when the full report was presented under, and for the purposes of, section 266. You may email this directly to me at this email address.
- (2) The report appears to have addressed all the issues that were raised by my colleague Ken Morgan in his letter (see attached, for your reference) in relation to the previous year's report and for which an amended report was lodged, except for the following:
  - Employee benefits provisions/liabilities in relation to office-holders at Note 11 (p.24) did not include a nil balance disclosure for the sub-category "separation and redundancies" as required by Reporting Guideline 21 [i.e. in respect of 20(c)(iii)];
  - Legal costs expense of \$6,413 at Note 4 (p.20) was not broken down into (i) 'litigation' expense and (ii) 'other legal matters' expense as required by Reporting Guideline 16(j).

I don't require any amendment to the report itself but, before filing the report, I would ask you to advise me directly the break-down of the legal costs expense.



PGA-SA letter  
11-11-14.pdf

Yours sincerely

STEPHEN KELLETT  
Regulatory Compliance Branch  
**FAIR WORK COMMISSION**

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EAST SYDNEY NSW 2011

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## **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 2015, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, recovery of wages activity, 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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

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In making those risk assessments, the auditor considers internal control relevant to the 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.

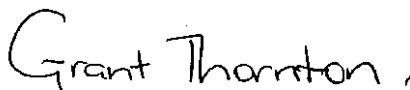
### **Auditor's Opinion**

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 2015 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 AUDIT PTY LTD  
Chartered Accountants



J L Humphrey  
Partner – Audit & Assurance

Registered Company Auditor #321465  
Member of ICAA

Adelaide, 22 September 2015

Financial Report

**The Pharmacy Guild of Australia (SA Branch)**

Year Ended 30 June 2015

## THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

### OPERATING REPORT YEAR ENDED 30 JUNE 2015

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Your Branch Committee present their report on the Pharmacy Guild of Australia (SA Branch) for the financial year ended 30 June 2015.

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:

- N. Panayiaris (Branch President)
- P Simmons (Vice President)
- S Schultz (Vice President)
- A Doan (Vice President)
- T Gross
- M Ajdukovic
- M Apolloni
- H Flannery
- T Huynh
- I Todd (National Councillor)
- G Scarlett (not reappointed)
- L Broomhead (not nominated)
- S McGregor (not nominated)
- Z Seman (not reappointed)

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

The loss of the Branch for the financial year amounted to \$282,542 (2014: profit of \$6,152).

#### 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 Fair Work (Registered Organisations) Act 2009 and who are taken to be members of the reporting unit under section 244 of the Fair Work (Registered Organisations) Act 2009 was 270 members.



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

**OPERATING REPORT (CONT)  
YEAR ENDED 30 JUNE 2015**

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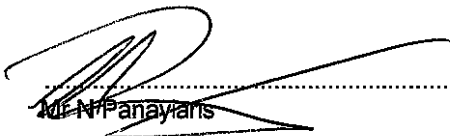
**Insurance of Officers**

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 20.

Signed in accordance with a resolution of the Branch Committee dated 22nd day of September 2015:

Branch President



Mr. N. Panayaris

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

**BRANCH COMMITTEE STATEMENT  
YEAR ENDED 30 JUNE 2015**

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On 22<sup>nd</sup> September 2015, we Nicholas Harry Panayiaris 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 2015:

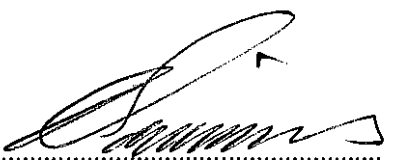
We declare that in our opinion:

- (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 GPRF 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
  - (iv) where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a manner consistent with each of the other reporting units of the organisation; and
  - (v) where information has been sought in any request by a member of the reporting unit or General Manager duly made under section 272 of the RO Act, that information has been provided to the member or General Manager; and
  - (vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance; 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 22<sup>nd</sup> day of September 2015

  
.....  
N Panayiaris

  
.....  
P Simmons

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

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2015**

	<b>Note</b>	<b>2015</b>	<b>2014</b>
		<b>\$</b>	<b>\$</b>
Revenue	<b>3</b>	2,429,172	2,818,265
Employee expenses	<b>5</b>	1,421,119	1,462,189
Depreciation		63,979	84,950
Electricity		13,948	16,088
Finance costs		44,237	52,501
Insurance		18,457	25,958
Leasing Equipment		19,333	19,238
Rates and Taxes		45,888	52,381
Membership expense - National		460,741	465,019
Telephone		28,652	27,307
Loss on disposal of fixed assets		12,390	2,567
Other expenses	<b>4</b>	582,970	603,915
<b>(Loss)/Profit for the year</b>		<b>(282,542)</b>	<b>6,152</b>
<b>Other comprehensive income</b>			
Net gain on the revaluation of property, plant and equipment recognised directly in equity		-	-
<b>Total other comprehensive income for the year</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>(282,542)</b>	<b>6,152</b>

**The accompanying notes form part of these financial statements**

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

**STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2015**

	Note	2015 \$	2014 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	1,244,482	601,173
Trade and other receivables	7	122,612	147,363
Other current assets	8	37,416	33,191
<b>TOTAL CURRENT ASSETS</b>		<b>1,404,510</b>	<b>781,727</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	9	1,129,203	2,167,497
Investment property	10	-	1,013,334
<b>TOTAL NON-CURRENT ASSETS</b>		<b>1,129,203</b>	<b>3,180,831</b>
<b>TOTAL ASSETS</b>		<b>2,533,714</b>	<b>3,962,558</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	136,724	205,558
Income received in advance		200,289	278,267
Short-term provisions	12	327,838	301,779
Borrowings	13	27,231	25,422
<b>TOTAL CURRENT LIABILITIES</b>		<b>692,082</b>	<b>811,026</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	13	85,708	1,113,064
<b>TOTAL NON CURRENT LIABILITIES</b>		<b>85,708</b>	<b>1,113,064</b>
<b>TOTAL LIABILITIES</b>		<b>777,790</b>	<b>1,924,090</b>
<b>NET ASSETS</b>		<b>1,755,924</b>	<b>2,038,468</b>
<b>EQUITY</b>			
Reserves		177,715	355,430
Retained earnings		1,578,209	1,683,038
<b>TOTAL EQUITY</b>		<b>1,755,924</b>	<b>2,038,468</b>

**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 2015

	<b>Asset Revaluation Reserve</b>	<b>Retained Earnings</b>	<b>Total</b>
	\$	\$	\$
<b>Balance as at 1 July 2013</b>	355,430	1,676,884	2,032,314
Profit for the year	-	6,152	6,152
Other comprehensive income for the year	-	-	-
<b>Closing balance as at 30 June 2014</b>	<u>355,430</u>	<u>1,683,036</u>	<u>2,038,466</u>
Transfer from reserves	(177,715)	177,715	-
Loss for the year	-	(282,542)	(282,542)
Other comprehensive income for the year	-	-	-
<b>Closing balance as at 30 June 2015</b>	<u>177,715</u>	<u>1,578,209</u>	<u>1,755,924</u>

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 2015**

	Note	2015 \$	2014 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from other reporting units	17(d)	548,580	474,270
Receipts from customers		1,793,558	2,495,743
Payments to other reporting units	17 (e)	(576,043)	(532,745)
Payments to suppliers and employees		(2,057,545)	(2,070,519)
Interest received		29,582	21,919
Borrowing costs		(44,237)	(52,501)
Net cash (used in)/provided by operating activities	17(b)	<u>(306,105)</u>	<u>336,167</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of property, plant and equipment		1,012,621	21,818
Proceeds from sale of investment property		964,684	
Purchase of property, plant and equipment		<u>(2,344)</u>	<u>(87,221)</u>
Net cash provided by/(used in) investing activities		<u>1,974,961</u>	<u>(65,403)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds of borrowings		-	79,020
Repayments of borrowings		<u>(1,025,547)</u>	<u>-</u>
Net cash (used in)/provided by financing activities		<u>(1,025,547)</u>	<u>79,020</u>
Net increase in cash and cash equivalents		643,309	349,785
Cash and cash equivalents at the beginning of the year		<u>601,173</u>	<u>251,388</u>
<b>Cash and cash equivalents at the end of the year</b>	<b>17(a)</b>	<u>1,244,482</u>	<u>601,173</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 2015**

	2015 \$	2014 \$
<b>Cash assets in respect of recovered money at beginning of year</b>		-
<b>Receipts</b>		
Amounts recovered from employers in respect of wages etc.	-	-
Interest received on recovered money	-	-
<b>Total receipts</b>	<u>-</u>	<u>-</u>
<b>Payments</b>		
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	-	-
<b>Total payments</b>	<u>-</u>	<u>-</u>
<b>Cash asset's in respect of recovered money at end of year</b>	<u>-</u>	<u>-</u>
Number of workers to which the monies recovered relates	-	-
<b>Aggregate payables to workers attributable to recovered monies but not yet distributed</b>		
Payable balance	-	-
Number of workers the payable relates to	-	-
<b>Fund or account operated for recovery of wages</b>	-	-

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2015**

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**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 a 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.

**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  
AASB 15 Revenue from Contracts with Customers (2014)

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



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

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2015**

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**NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)**

**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).

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

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified within operating cash flows.

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

**Asset Recognition Threshold**

Purchases of land, buildings, plant and equipment are recognised initially at cost in the Statement of Financial Position. The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

**Revaluations—Land and Buildings**

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.

**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:

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>
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.

**NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)**

**Accounting Policies**

**(b) Property, Plant and Equipment (Cont)**

**Derecognition**

An item of land, buildings, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit and loss.

**Investment property**

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). 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.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

**Impairment for non-financial assets**

All assets are assessed for impairment at the end of each reporting period to the extent that there is an impairment trigger. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the the Guild were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

**(c) Financial Instruments**

Financial assets and financial liabilities are recognised when a reporting unit entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

**NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)**

**(d) Financial assets**

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised upon trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

***Fair value through profit or loss***

Financial assets are classified as at fair value through profit or loss when the financial asset is either held for trading or it is designated as at fair value through profit or loss.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item in the statement of comprehensive income.

***Held-to-maturity investments***

Financial assets with fixed or determinable payments and fixed maturity dates that the reporting unit has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

***Available-for-sale***

Listed shares and listed redeemable notes held by the reporting unit that are traded in an active market are classified as available-for-sale and are stated at fair value. The reporting unit also has investments in unlisted shares that are not traded in an active market but that are also classified as available-for-sale financial assets and stated at fair value. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve, with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2015**

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**NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)**

**(d) Financial assets (Cont)**

Dividends on available-for-sale equity instruments are recognised in profit or loss when the reporting unit right to receive the dividends is established. The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The foreign exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

***Loan and receivables***

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

***Effective interest method***

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, when appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest rate basis except for debt instruments other than those financial assets that are recognised at fair value through profit or loss.

***Impairment of financial assets***

Financial assets, other than those at fair value through profit or loss, are assessed for impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the reporting units past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

**NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)**

**(d) Financial assets (Cont)**

***Impairment of financial assets (Cont)***

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of available-for-sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

***Derecognition of financial assets***

The reporting unit derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss

**(e) Financial liabilities**

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

***Fair value through profit or loss***

Financial liabilities are classified as at fair value through profit or loss when the financial liability is either held for trading or it is designated as at fair value through profit or loss.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at fair value

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

**NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)**

**(e) Financial liabilities (Cont)**

Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the statement of comprehensive income.

***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

***Derecognition of financial liabilities***

The reporting unit derecognises financial liabilities when, and only when, the reporting units obligations are discharged, cancelled or they expire. The difference between the carrying amounts of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

**(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.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

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.

**(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.

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2015**

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**NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)**

**(g) Leases (Cont)**

Rental revenue from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

**(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 is recognised at its nominal amount. 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 that are readily convertible to known amounts of the cash and subject to insignificant risk of changes in value 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.

Donation income is recognised when it is received.

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 recorded as a revenue and/or expense in the year which it relates.

**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.



**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 Guild 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) Contingent Liabilities and Contingent Assets**

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

**(t) 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.

**(u) General disclosures**

The activities identified below did not occur during the year ended 30 June 2015:

- (i) going concern financial support received from another reporting unit
- (ii) going concern financial support provided to another reporting unit
- (iii) acquired an asset or liability due to an amalgamation under Part 2 of Chapter 3, a restructure of the branches of an organisation, a determination or revocation by the General Manager

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2015**

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**NOTE 2 - EVENTS AFTER THE REPORTING PERIOD**

There were no events that occurred after 30 June 2015 and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Guild.

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 3 - REVENUE</b>		
Operating Activities		
Capitation fees	-	-
Levies	-	-
Donations	-	-
Members subscriptions	786,040	786,965
Nominal members subscription	360	1,086
Clearing house subscription	10,227	10,900
Commissions	198,879	220,560
Training income including Northern Territory	227,371	637,762
Quality care income	187,000	153,421
Clean Needle Funding Program	81,955	79,568
Sundry income	66,254	17,600
Pharmacy Liaison Officer	83,000	110,181
Rental revenue	11,226	89,651
Payroll services	727,279	682,652
Community Strategy Program	20,000	6,000
	<u>2,399,591</u>	<u>2,796,347</u>
Non-Operating Activities		
Interest received from other persons	<u>29,582</u>	<u>21,919</u>
	<u>2,429,172</u>	<u>2,818,265</u>

No financial support received from another reporting unit.

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2015

	2015 \$	2014 \$
<b>NOTE 4 - OTHER EXPENSES FROM ORDINARY ACTIVITIES</b>		
Remuneration of auditor		
- audit or review services	12,388	10,720
- other services	4,600	11,300
Total remuneration	<u>16,988</u>	<u>22,020</u>
Advertising	23,126	9,594
Bank fees	9,715	12,072
Capitation fees	-	-
Committee Expenses	2,430	16,496
Catering	3,496	4,073
Cleaning	12,611	11,520
Compulsory levies	-	-
Fees/allowances - meeting and conferences	11,178	3,263
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	17,239	22,951
Entertainment	6,319	8,682
IT expenses	46,090	41,904
Legal costs	6,413	3,466
Motor vehicles	28,034	25,131
Payroll service	193,861	178,752
Postage & freight	16,472	14,123
Printing & stationery	15,183	31,971
Penalties - via RO Act or RO Regulations	-	-
Affiliation fees	-	-
Subscriptions & memberships	6,531	7,973
Travel expense	29,677	30,164
Waste management	48,724	48,526
Consultant fees	43,662	28,793
Repairs and maintenance	6,700	9,378
Sundry expenses	38,521	73,063
	<u>582,970</u>	<u>603,915</u>

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2015

	2015 \$	2014 \$
<b>NOTE 5 - EMPLOYEE EXPENSES</b>		
<b>Holders of Office</b>		
Wages and salaries	70,346	72,916
Superannuation	6,683	6,071
Leave and other entitlements	-	-
Separation and redundancies	-	-
Other employee expenses	7,285	6,685
	<u>7,285</u>	<u>6,685</u>
<b>Subtotal employee expenses holders of office</b>	<u>84,314</u>	<u>85,672</u>
<b>Employees other than office holders:</b>		
Wages and salaries	985,017	1,024,009
Superannuation	130,159	139,158
Leave and other entitlements	125,278	117,929
Separation and redundancies	25,583	24,392
Other employee expenses	70,768	71,029
	<u>70,768</u>	<u>71,029</u>
<b>Subtotal employee expenses employees other than holders of office</b>	<u>1,336,805</u>	<u>1,376,517</u>
<b>Total employee benefits expense</b>	<u>1,421,119</u>	<u>1,462,189</u>

**NOTE 6 - CASH AND CASH EQUIVALENTS**

Cash on hand	200	200
Cash at bank	1,244,282	600,973
	<u>1,244,282</u>	<u>600,973</u>
	<u>1,244,482</u>	<u>601,173</u>

**NOTE 7 - TRADE AND OTHER RECEIVABLES**

**CURRENT**

<i>Receivable from other reporting units</i>		
National Secretariat	31,462	154
Pharmacy Guild of Australia (NSW Branch)	120	268
	<u>31,462</u>	<u>154</u>
<b>Total receivables from other reporting units</b>	<u>31,582</u>	<u>422</u>
Less provision for doubtful debts	-	-
<b>Receivables from other reporting units (net)</b>	<u>31,582</u>	<u>422</u>
Trade receivables	42,523	84,169
Less provision for doubtful debts	(800)	(800)
	<u>41,723</u>	<u>83,369</u>
<b>Trade receivables (net)</b>	<u>41,723</u>	<u>83,369</u>
Other debtors	31,152	42,355
GST receivable from Australian Taxation Office	18,155	21,217
	<u>49,307</u>	<u>63,572</u>
<b>Other receivables</b>	<u>49,307</u>	<u>63,572</u>
<b>Total Current Trade and Other Receivables</b>	<u>122,612</u>	<u>147,363</u>

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2015**

	2015	2014
	\$	\$
<b>NOTE 8 - OTHER CURRENT ASSETS</b>		
<b>CURRENT</b>		
Prepayments	37,416	33,191
	<u>37,416</u>	<u>33,191</u>

**NOTE 9 - PROPERTY, PLANT AND EQUIPMENT**

<b>NON CURRENT</b>		
Land		
Land - at valuation	600,000	1,200,000
Building - at valuation	413,333	826,666
Less accumulated depreciation	<u>(51,667)</u>	<u>(82,667)</u>
Total Buildings	361,666	743,999
Total Land and Buildings	<u>961,666</u>	<u>1,943,999</u>
<b>Plant and Equipment</b>		
Office equipment and furniture - at cost	242,496	292,588
Less accumulated depreciation	<u>(177,593)</u>	<u>(194,353)</u>
	64,903	98,235
Motor vehicles - at cost	150,865	150,865
Less accumulated depreciation	<u>(48,231)</u>	<u>(25,602)</u>
	102,634	125,263
Total Plant and Equipment	<u>167,537</u>	<u>223,498</u>
Total Property, Plant and Equipment	<u>1,129,203</u>	<u>2,167,497</u>

If land and buildings were measured using the cost model , the carrying amounts would be as follows:

Cost	835,618	1,671,236
Accumulated depreciation	<u>(51,667)</u>	<u>(82,667)</u>
Net carrying amount	<u>783,951</u>	<u>1,588,569</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 2015, 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 2015**

**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
	\$	\$	\$	\$	\$
<b>2015</b>					
Balance at the beginning of the year	1,200,000	743,999	98,235	125,263	2,167,497
Additions	-	-	2,344	-	2,344
Disposal	(600,000)	(365,541)	-	-	(965,541)
Write offs	-	-	(11,121)	-	(11,121)
Depreciation expense	-	(16,792)	(24,555)	(22,829)	(63,976)
Revaluation	-	-	-	-	-
Carrying amount at the end of the year	600,000	361,666	64,903	102,634	1,129,203
<b>2014</b>					
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

**2015**      **2014**  
\$              \$

**NOTE 10 - INVESTMENT PROPERTY**

Investment Property - 1,013,334

On 31 March 2015, the investment property was sold for \$964,984 (net disposal proceeds). The loss on disposal of \$48,350 has been recognised in the statement of profit or loss.

Rental income earned and received from investment properties during the year \$11,226 (2014: \$89,651). Direct expenses incurred in relation to the investment properties that generated rental income during the year was \$1,094 (2014:\$5,885). 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	125,847	191,807
Consideration to employers for payroll deductions	-	-
Legal costs	-	-
GST payable	10,878	13,751
	<u>136,724</u>	<u>205,558</u>

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2015**

	2015 \$	2014 \$
<b>NOTE 12 - EMPLOYEE PROVISIONS</b>		
<b>EMPLOYEES OTHER THAN OFFICE HOLDERS</b>		
Annual Leave	125,565	112,038
Long Service Leave	153,280	144,874
Separations and redundancy	-	-
Other employee provisions	-	-
	<u>278,845</u>	<u>256,912</u>
<b>OFFICE HOLDERS</b>		
Annual Leave	22,252	23,105
Long Service Leave	26,741	21,762
Other employee provisions	-	-
	<u>48,993</u>	<u>44,867</u>
Subtotal employee other than office holders provisions	<u>48,993</u>	<u>44,867</u>
Aggregate employee entitlement liability	<u>327,838</u>	<u>301,779</u>
Number of employees at year end	<u>20</u>	<u>22</u>

**NOTE 13 - FINANCIAL BORROWINGS**

**CURRENT**

Hire purchase - Guild Insurance - secured (a)	<u>27,231</u>	<u>25,422</u>
	<u>27,231</u>	<u>25,422</u>

**NON CURRENT**

Hire purchase - Guild Insurance- secured (a)	85,708	113,064
Loan from Guild Insurance - secured (b)	<u>-</u>	<u>1,000,000</u>
Total Financial Borrowings	<u>85,708</u>	<u>1,113,064</u>

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

(b) The Loan from Guild Insurance Limited for \$1,000,000 was repaid in full on 1 April 2015.

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2015**

	2015	2014
	\$	\$
<b>NOTE 14 - CAPITAL AND LEASING COMMITMENTS</b>		
The Branch has the following operating lease commitments relating to photocopiers:		
- Within one year	-	17,336
- Later than one year but less than three years	-	-
<b>Total</b>	<b>-</b>	<b>17,336</b>

The Branch has the following operating lease commitments relating to office building:

- Within one year	118,956	-
- Later than one year but less than three years	246,284	-
<b>Total</b>	<b>365,240</b>	<b>-</b>

The Branch has entered into a binding head of agreement for renting 12/202-208 Glen Osmond Road, Fullarton for a period of 5 years for an annual rent of \$83,733 plus outgoings of \$26,849 to be adjusted for CPI.

**NOTE 15 - RELATED PARTY DISCLOSURES**

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

N Panayiaris (President) (appointed 29 October 2014)	P Simmons (Vice President)
S Schultz (Vice President)	A Doan (Vice President)
T Gross	M Ajdukovic
M Apolloni	H Flannery
T Huynh	I Todd (National Councillor)
G Scarlett (not reappointed)	L Broomhead (not nominated)
S McGregor (not nominated)	Z Seman (not reappointed)

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:

	2015	2014
	\$	\$
Committee Members' remuneration		
- Gross remuneration	84,314	85,672
<b>Total remuneration</b>	<b>84,314</b>	<b>85,672</b>
Remuneration - employees including Branch Director (other than holders of office)	985,017	1,024,009
The aggregate amount of employee benefits payable to the Branch Director	12,197	10,483

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 (2014: Nil).

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



THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 15 - RELATED PARTY DISCLOSURES (CONT)

	2015	2014
	\$	\$
<b>f)</b> Amounts receivable/accrued for commissions from related parties - current		
Guild Insurance Ltd	22,366	24,043
Gold Cross Products and Services	5,000	6,000
The above commissions are calculated at rates determined by the National Services Division and the Guild Insurance Ltd respectively.		
<b>g)</b> The aggregate of commission income received or receivable from related entities:		
Guild Insurance Ltd	173,574	181,454
Gold Cross Products and Services	22,560	22,353
<b>h)</b> The aggregate of membership expenses paid to the ultimate controlling entity	460,741	456,153
The aggregate of membership expenses payable to the ultimate controlling entity	-	-
<b>i)</b> Amount receivable/(payable) to related parties:		
- Guild Insurance - Hire purchase liabilities	(112,938)	(138,485)
- Guild Insurance - Borrowings	-	(1,000,000)
- Pharmacy Guild Australia	31,198	(2,774)
<b>i)</b> Amount (payable) to related parties:		
- Pharmacy Guild (NT Branch)	-	(2,200)
- Pharmacy Guild (TAS Branch)	-	(2,750)
- Pharmacy Guild (WA Branch)	(6,050)	(6,050)

NOTE 16 - KEY MANAGEMENT PERSONNEL REMUNERATION

<b>Short-term employee benefits</b>		
Salary (including annual leave taken)	140,264	122,512
Annual leave accrued	19,048	23,105
<b>Total short-term employee benefits</b>	<u>159,312</u>	<u>145,617</u>
<b>Post-employment benefits:</b>		
Superannuation	17,317	15,961
<b>Total post-employment benefits</b>	<u>17,317</u>	<u>15,961</u>
<b>Other long-term benefits:</b>		
Long-service leave	22,511	21,762
<b>Total other long-term benefits</b>	<u>22,511</u>	<u>21,762</u>
<b>Termination benefits</b>	-	-
<b>Total</b>	<u>199,140</u>	<u>183,340</u>

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2015**

	2015	2014
	\$	\$
<b>NOTE 17 - CASH FLOW INFORMATION</b>		
(a) Reconciliation of cash:		
Cash on hand	200	200
Cash at bank	1,244,282	600,973
	<u>1,244,482</u>	<u>601,173</u>
(b) Reconciliation of profit from operations to net cash provided by operating activities:		
Profit/(loss) from operations	(282,542)	6,152
Non-cash flows in profit from operations:		
Depreciation - property, plant and equipment	63,979	84,950
Loss on disposal of fixed assets	12,390	2,567
Changes in assets and liabilities:		
Decrease in receivables	24,751	43,492
(Increase)/decrease in prepayments	(4,225)	(7,820)
Increase/(decrease) in payables/unearned income	(146,517)	169,848
Increase in provisions	26,059	36,977
Net cash provided by operating activities	<u>(306,105)</u>	<u>336,167</u>
(c) At balance date, the Branch had no loan outstanding. (2014: \$1,000,000).		
(d) Cash flows from		
Guild Insurance Ltd	151,208	181,454
Gold Cross Products and Services	28,274	22,353
Pharmacy Guild of Australia National Secretariat	356,505	263,602
Pharmacy Guild of Australia ACT	1,405	-
Pharmacy Guild of Australia NT	1,500	-
Pharmacy Guild of Australia NSW	3,167	2,710
Pharmacy Guild of Australia QLD	1,516	4,151
Pharmacy Guild of Australia VIC	2,668	-
Pharmacy Guild of Australia TAS	2,337	-
	<u>548,580</u>	<u>474,270</u>
(e) Cash flows to		
Pharmacy Guild of Australia National Secretariat	557,179	509,793
Pharmacy Guild of Australia NSW	1,757	2,000
Pharmacy Guild of Australia TAS	5,530	4,500
Pharmacy Guild of Australia VIC	1,127	5,608
Pharmacy Guild of Australia NT	4,400	-
Pharmacy Guild of Australia ACT	-	53
Pharmacy Guild of Australia QLD	-	291
Pharmacy Guild of Australia WA	6,050	10,500
	<u>576,043</u>	<u>532,745</u>

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2015**

	2015	2014
	\$	\$
<b>NOTE 18 - REMUNERATION OF AUDITORS</b>		
Financial statement audit services	12,388	10,720
Other services	4,600	11,300
Total remuneration of auditors	<u>16,988</u>	<u>22,020</u>

Other services provided relate to accounting services.

**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 2015 and 30 June 2014 are as follows:

	2015	2014
	\$	\$
Total Borrowings	112,939	1,138,486
Less cash and cash equivalents	<u>(1,244,482)</u>	<u>(601,173)</u>
Net (surplus)/ debt	<u>(1,131,543)</u>	537,313
Total equity (reserves + retained earnings)	<u>1,755,923</u>	<u>2,038,468</u>
Total capital	<u>624,380</u>	<u>2,575,781</u>
Gearing ratio	-181%	21%

**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 2015**

**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 \$	
<b>2015</b>							
Trade and term receivables	74,105	800	61,726	313	2,935	9,131	61,726
Other receivables	31,152		31,152				31,152
<b>Total</b>	<b>105,257</b>	<b>800</b>	<b>92,878</b>	<b>313</b>	<b>2,935</b>	<b>9,131</b>	<b>92,878</b>
<b>2014</b>							
Trade and term receivables	84,591	800	50,287	5,789	1,157	27,358	50,287
Other receivables	42,355	-	42,355	-	-	-	42,355
<b>Total</b>	<b>126,946</b>	<b>800</b>	<b>92,642</b>	<b>5,789</b>	<b>1,157</b>	<b>27,358</b>	<b>92,642</b>

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 2015:

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Land and buildings	-	-	1,013,333	1,013,333
Investment property	-	-	-	-

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)  
Unit 3 233 - 235 Greenhill Road  
DULWICH SA 5065

**NOTE 21 - LEGAL MATTERS**

The Branch has no contingent assets or liabilities.

The Branch has no litigation and other legal matters.

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2015**

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**NOTE 22 - 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).