



FAIR WORK
COMMISSION

18 January 2017

Mr Peter Schwarz
Branch Director, South Australian Branch
The Pharmacy Guild of Australia

By email: peter.schwarz@sa.guild.org.au

Dear Mr Schwarz

Re: Lodgement of Financial Statements and Accounts – The Pharmacy Guild of Australia, South Australian Branch - for year ended 30 June 2016 (FR2016/283)

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 19 December 2016. Further advice and an amended Designated Officer's certificate were received on 17 January 2017.

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

You are not required to take further action in relation to the report lodged but I make the following comments to assist you when preparing the next financial report. Please note that the financial report for the year ending 30 June 2017 may be subject to an advanced compliance review.¹

Documents must be lodged with the FWC within 14 days of general meeting

Section 268 of the RO Act, states that the full report and the designated officer's certificate are required to be lodged with the FWC within 14 days of presentation to the meeting of members. The Designated Officer's Certificate indicates that this meeting occurred on 19 October 2016. If this is correct the full report should have been lodged with the FWC by 2 November 2016, which means the full report was lodged approximately 47 days outside the prescribed period.

If in future financial years the branch anticipates that it will not be able to lodge a copy of the full report within the prescribed 14 days, a written request for an extension of time, signed by a relevant officer, including any reason for the delay, must be made prior to the expiry of the 14 day period.

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

¹ The full range of disclosure requirements that may apply can be found itemised on the advanced assessment form available at <https://www.fwc.gov.au/documents/documents/organisations/factsheets/org-financial-report-checklist-advanced.pdf>

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 require further information on the financial reporting requirements of the Act, I may be contacted by email at 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

From: Peter Schwarz [mailto:peter.schwarz@sa.guild.org.au]
Sent: Tuesday, 17 January 2017 4:36 PM
To: KELLETT, Stephen
Subject: RE: Financial reporting - y/e 30 June 2016 - various issues - clarification requested

Hello Stephen

Thanks for your time on the phone regarding the Guild's financial reporting requirements for 2015/16.

As discussed, the following three matters are addressed as follows:

1. Certificate of Designated Officer

- a. attached is a revised and replacement Certificate of Compliance of the Guild's Designated Officer. You will note that the revised declaration details that the full report was provided to members on 29 September 2016 and then presented to the general meeting of members on 19 October 2016.

2. Statement of Loans, Grants and Donations exceeding \$1000

- a. The amount listed in Note 4 of the Guild's accounts as donations paid that exceeded \$1000 (\$23,577) includes an amount totalling \$15596.37 which has been incorrectly coded to grants and donations. This amount represents a membership expense (cost of providing membership), not a grant, loan or donation. Similarly there were also a couple of smaller donations made to charities as donations for memorial expenses for deceased life members (under \$1000) that should have been reported in the line item regarding grants that were less than \$1000, and not as exceeding \$1000.

3. Membership Expense Capitation Fees

- a. In future audited statements, the expense item named "Membership expense – National" in the Statement of Profit or Loss and Other Comprehensive Income will be renamed to "Membership expense – National (capitation) to accurately reflect the nature of the capitation fees paid to the National Office. As such, the item named "Capitation fees" in Note 4 – other expenses from ordinary activities, will be deleted. Our auditors will be advised of these changes.

Please advise if there is anything further you may require and thank you for your assistance to date.

Regards

Peter Schwarz
Branch Director



**The Pharmacy
Guild of Australia**
South Australian Branch

12/202 Glen Osmond Road, Fullarton
P 08 8304 8300
F 08 8333 1729

Direct Line 08 8304 8309



Amended Certificate
of Designated Officer

Pharmacy Guild of Australia (SA Branch)

s.268 Fair Work (Registered Organisations) Act 2009

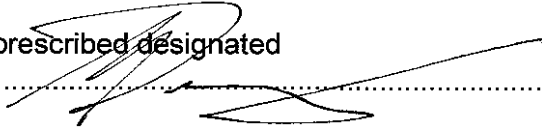
Certificate for the period ended 30 June 2016

Certificate of Designated Officer

I *Nick Panayiaris* being the *President* of the *Pharmacy Guild of Australia (SA Branch)* certify:

- that the documents lodged herewith are copies of the full report for the *Pharmacy Guild of Australia (SA Branch)* for the period ended 30 June 2016 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on *29 September 2016*; and
- that the full report was presented to a general meeting of members of the reporting unit on *19 October 2016* in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:.....



Name of prescribed designated officer:.....

NICK PANAYIARIS

Title of prescribed designated officer:.....

BRANCH PRESIDENT

Dated:.....

6th January 2017

From: Peter Schwarz [<mailto:peter.schwarz@sa.guild.org.au>]

Sent: Monday, 19 December 2016 3:09 PM

To: Orgs

Subject: On CMS FR2016/283 Lodgement of financial documents 2014-2015 year by the Pharmacy

To whom it may concern

As per the requirement of Lodgement of Financial Report - [FR2016/283] Fair Work (Registered Organisations) Act 2009 (the RO Act)

Please see attached the financial statements of the Pharmacy Guild of Aust (SA) for the financial year 2015-2016, as presented at the Annual General Meeting of members on the 19th October 2016.

As per the requirements of the Act, these statements were made available to all members on the 19th October 2016

Please do not hesitate to contact me if required

Peter Schwarz
Branch Director



**The Pharmacy
Guild of Australia**
South Australian Branch

12/202 Glen Osmond Road, Fullarton

P 08 8304 8300

F 08 8333 1729

Direct Line 08 8304 8309



Certificate of Designated Officer



The Pharmacy Guild of Australia (SA Branch)

Pharmacy Guild of Australia (SA Branch)


s.268 Fair Work (Registered Organisations) Act 2009

Certificate for the period ended [insert date] 2016

Certificate of Designated Officer

I Nick Panayiaris being the *President* of the *Pharmacy Guild of Australia (SA Branch)* certify:

- that the documents lodged herewith are copies of the full report for the *Pharmacy Guild of Australia (SA Branch)* for the period ended 30 June 2016 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on *19 October 2016*; and
- that the full report was presented to a general meeting of members of the reporting unit on *19 October 2016* in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:.....

Name of prescribed designated officer:.....*NICK PANAYIARIS*

Title of prescribed designated officer:.....*BRANCH PRESIDENT*

Dated: *15 December 2016*

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 "Branch"), which comprises the statement of financial position as at 30 June 2016, 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 Branch 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 Branch'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,

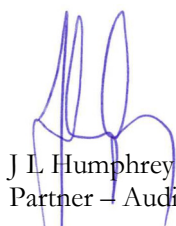
- a the financial report of The Pharmacy Guild of Australia (SA Branch),
 - i presents fairly, in all material respects, the Branch's financial position as at 30 June 2016 and of its performance and cash flows for the year then ended; and
 - ii complies with Australian Accounting Standards and all requirements 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, 28 September 2016

Financial Report

The Pharmacy Guild of Australia (SA Branch)

Year Ended 30 June 2016

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

OPERATING REPORT YEAR ENDED 30 JUNE 2016

Your Branch Committee present their report on the Pharmacy Guild of Australia (SA Branch) for the financial year ended 30 June 2016.

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 – National Councillor)
- P Simmons (Vice President)
- S Schultz (Vice President)
- A Doan (Senior Vice President)
- T Gross
- M Ajdukovic
- M Apolloni
- H Flannery
- T Huynh
- I.Todd (National Councillor)

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 \$70,946 (2015: loss of \$282,542).

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 266 members.

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

**OPERATING REPORT (CONT)
YEAR ENDED 30 JUNE 2016**


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 21.

Signed in accordance with a resolution of the Branch Committee dated 28th day of September 2016:

Branch President


.....
Mr N Panayianis

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

**BRANCH COMMITTEE STATEMENT
YEAR ENDED 30 JUNE 2016**

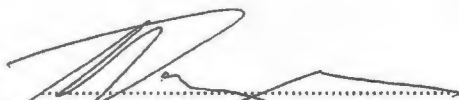
On 28 September 2016, we Nick Harry Panayiaris and Paul David Simmons, being the Branch President and Vice President (Finance) of The Pharmacy Guild of Australia (SA Branch) passed the following resolution in relation to the general purpose financial report (GPRF) for the year ended *30 June 2016*:


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 28th day of September 2016


.....
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 2016

	Note	2016 \$	2015 \$
Revenue	3	2,166,717	2,429,172
Employee expenses	5	1,249,820	1,421,119
Depreciation		41,379	63,979
Electricity		13,357	13,948
Finance costs		7,736	44,237
Insurance		15,701	18,457
Leasing Equipment		14,614	19,333
Rates and Taxes		1,945	45,888
Membership expense - National		258,948	460,741
Telephone		20,191	28,652
(Profit) / Loss on disposal of fixed assets		(78,357)	12,390
Other expenses	4	692,331	582,970
(Loss)/Profit for the year		(70,946)	(282,542)
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		(70,946)	(282,542)

The accompanying notes form part of these financial statements

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

	Note	2016 \$	2015 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	2,222,273	1,244,482
Trade and other receivables	7	88,524	122,612
Other current assets	8	29,517	37,416
TOTAL CURRENT ASSETS		2,340,314	1,404,510
NON-CURRENT ASSETS			
Property, plant and equipment	9	119,177	1,129,203
Investment property	10	-	-
TOTAL NON-CURRENT ASSETS		119,177	1,129,203
TOTAL ASSETS		2,459,491	2,533,714
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	119,185	136,724
Income received in advance		251,220	200,289
Short-term provisions	12	277,113	327,838
Borrowings	13	36,253	27,231
TOTAL CURRENT LIABILITIES		683,771	692,082
NON-CURRENT LIABILITIES			
Borrowings	13	90,742	85,708
TOTAL NON CURRENT LIABILITIES		90,742	85,708
TOTAL LIABILITIES		774,513	777,790
NET ASSETS		1,684,978	1,755,924
EQUITY			
Reserves		-	177,715
Retained earnings		1,684,978	1,578,209
TOTAL EQUITY		1,684,978	1,755,924

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 2016

	Asset Revaluation Reserve \$	Retained Earnings \$	Total \$
Balance as at 1 July 2014	355,430	1,683,036	2,038,466
Transfers from reserves	(177,715)	177,715	-
Loss for the year	-	(282,542)	(282,542)
Other comprehensive income for the year	-	-	-
Closing balance as at 30 June 2015	177,715	1,578,209	1,755,924
Transfer from reserves	(177,715)	177,715	-
Loss for the year	-	(70,946)	(70,946)
Other comprehensive income for the year	-	-	-
Closing balance as at 30 June 2016	-	1,684,978	1,684,978

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 2016

	Note	2016 \$	2015 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from other reporting units	17(d)	592,235	548,580
Receipts from customers		1,627,792	1,793,558
Payments to other reporting units	17(e)	(329,385)	(576,043)
Payments to suppliers and employees		(2,005,784)	(2,057,545)
Interest received		39,609	29,582
Borrowing costs		(7,736)	(44,237)
Net cash (used in)/provided by operating activities	17(b)	(83,269)	(306,105)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		1,090,764	1,012,621
Proceeds from sale of investment property		-	964,684
Purchase of property, plant and equipment		(43,760)	(2,344)
Net cash provided by/(used in) investing activities		1,047,004	1,974,961
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds of borrowings		58,943	-
Repayments of borrowings		(44,887)	(1,025,547)
Net cash (used in)/provided by financing activities		14,056	(1,025,547)
Net increase in cash and cash equivalents		977,791	643,309
Cash and cash equivalents at the beginning of the year		1,244,482	601,173
Cash and cash equivalents at the end of the year	17(a)	2,222,273	1,244,482

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 2016

	2016	2015
	\$	\$
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	-	-
	<hr/>	<hr/>
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	-	-
	<hr/>	<hr/>
Total payments	-	-
Cash asset's in respect of recovered money at end of year	<hr/>	<hr/>
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 2016

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 2016**

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:

Class of Fixed Asset	Depreciation Rate
Office equipment and furniture	5% - 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.

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 2016**

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.

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2016

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 2016:

- (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 2016**

NOTE 2 - EVENTS AFTER THE REPORTING PERIOD

There were no events that occurred after 30 June 2016 and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Guild.

	2016	2015
	\$	\$
NOTE 3 - REVENUE		
Operating Activities		
Members subscriptions	577,024	786,040
Nominal members subscription	360	360
Clearing house subscription	8,636	10,227
Commissions	177,005	198,879
Training income	189,962	227,371
Quality care income	250,150	187,000
Clean Needle Funding Program	81,955	81,955
Sundry income	24,724	66,254
Pharmacy Liaison Officer/Customer Experience Index	68,058	83,000
Rental revenue	3,936	11,226
Payroll services	739,866	727,279
Community Strategy Program	-	20,000
	<u>2,121,676</u>	<u>2,399,591</u>
Non-Operating Activities		
Interest received from other persons	<u>45,041</u>	<u>29,582</u>
	<u>2,166,717</u>	<u>2,429,172</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 2016**

	2016 \$	2015 \$
NOTE 4 - OTHER EXPENSES FROM ORDINARY ACTIVITIES		
Remuneration of auditor		
- audit or review services	12,855	12,388
- other services	2,250	4,600
Total remuneration	<u>15,105</u>	<u>16,988</u>
Advertising	3,220	23,126
Bank fees	10,885	9,715
Capitation fees	-	-
Committee Expenses	5,946	2,430
Catering	8,892	3,496
Cleaning	8,477	12,611
Compulsory levies	-	-
Fees/allowances - meeting and conferences	2,397	11,178
Outside wages expense	29,786	-
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	23,577	17,239
Entertainment	6,060	6,319
IT expenses	76,488	46,090
Legal costs	13,990	6,413
Motor vehicles	25,807	28,034
Payroll service	204,006	193,861
Postage & freight	6,354	16,472
Printing & stationery	11,395	15,183
Penalties - via RO Act or RO Regulations	-	-
Affiliation fees	-	-
Subscriptions & memberships	7,771	6,531
Travel expense	31,665	29,677
Waste management	49,174	48,724
Consultant fees	13,204	43,662
Repairs and maintenance	15,592	6,700
Rent	82,630	12,811
Sundry expenses	39,910	25,711
	<u>692,331</u>	<u>582,970</u>

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2016

	2016 \$	2015 \$
NOTE 5 - EMPLOYEE EXPENSES		
Holders of Office		
Wages and salaries	73,051	70,346
Superannuation	6,940	6,683
Leave and other entitlements	-	-
Separation and redundancies	-	-
Other employee expenses	7,449	7,285
Subtotal employee expenses holders of office	87,440	84,314
Employees other than office holders:		
Wages and salaries	848,561	985,017
Superannuation	122,977	130,159
Leave and other entitlements	97,556	125,278
Separation and redundancies	34,633	25,583
Other employee expenses	58,653	70,768
Subtotal employee expenses employees other than holders of office	1,162,380	1,336,805
Total employee benefits expense	1,249,820	1,421,119

NOTE 6 - CASH AND CASH EQUIVALENTS

Cash on hand	200	200
Cash at bank	2,222,073	1,244,282
	2,222,273	1,244,482

NOTE 7 - TRADE AND OTHER RECEIVABLES

CURRENT

<i>Receivable from other reporting units</i>		
National Secretariat	-	31,462
Pharmacy Guild of Australia (NT Branch)	45	-
Pharmacy Guild of Australia (NSW Branch)	-	120
Total receivables from other reporting units	45	31,582
Less provision for doubtful debts	-	-
Receivables from other reporting units (net)	45	31,582
Trade receivables	42,625	42,523
Less provision for doubtful debts	(800)	(800)
Trade receivables (net)	41,825	41,723
Other debtors	32,690	31,152
GST receivable from Australian Taxation Office	12,964	18,155
Other receivables	45,654	49,307
Total Current Trade and Other Receivables	88,524	122,612

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2016

	2016 \$	2015 \$
NOTE 8 - OTHER CURRENT ASSETS		
CURRENT		
Prepayments	29,517	37,416
	<u>29,517</u>	<u>37,416</u>
 NOTE 9 - PROPERTY, PLANT AND EQUIPMENT		
NON CURRENT		
Land		
Land - at valuation	-	600,000
Building - at valuation	-	413,333
Less accumulated depreciation	-	(51,667)
Total Buildings	-	361,666
Total Land and Buildings	-	961,666
 Plant and Equipment		
Office equipment and furniture - at cost	142,759	242,496
Less accumulated depreciation	(85,765)	(177,593)
	<u>56,994</u>	<u>64,903</u>
Motor vehicles - at cost	101,708	150,865
Less accumulated depreciation	(39,525)	(48,231)
	<u>62,183</u>	<u>102,634</u>
Total Plant and Equipment	<u>119,177</u>	<u>167,537</u>
Total Property, Plant and Equipment	<u><u>119,177</u></u>	<u><u>1,129,203</u></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 2016, there are no land and buildings held as they have been sold.

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2016**

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
	\$	\$	\$	\$	\$
2016					
Balance at the beginning of the year	600,000	361,666	64,903	102,634	1,129,203
Additions	-	-	43,760	-	43,760
Disposal	(600,000)	(356,805)	(37,782)	(17,820)	(1,012,407)
Write offs	-	-	-	-	-
Depreciation expense	-	(4,861)	(13,888)	(22,630)	(41,379)
Revaluation	-	-	-	-	-
Carrying amount at the end of the year	-	-	56,994	62,184	119,178

	Land	Buildings	Equipment & Furniture	Motor Vehicles	Total
	\$	\$	\$	\$	\$
2015					
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)	(22,629)	(63,976)
Revaluation	-	-	-	-	-
Carrying amount at the end of the year	600,000	361,666	64,903	102,634	1,129,203

2016
\$

2015
\$

NOTE 10 - INVESTMENT PROPERTY

Investment Property

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Rental income earned and received from investment properties during the year \$3,936 (2015: \$11,226). There were no direct expenses incurred in relation to the investment properties that generated rental income during the year was \$nil (2015: \$1,094). 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	110,116	125,847
Consideration to employers for payroll deductions	-	-
Legal costs	-	-
GST payable	9,069	10,878
	<u>119,185</u>	<u>136,724</u>

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2016

	2016	2015
	\$	\$
NOTE 12 - EMPLOYEE PROVISIONS		
EMPLOYEES OTHER THAN OFFICE HOLDERS		
Annual Leave	124,413	125,565
Long Service Leave	152,700	153,280
Separations and redundancy	-	-
Other employee provisions	-	-
	<u>277,113</u>	<u>278,845</u>
Subtotal employee provisions	<u>277,113</u>	<u>278,845</u>
OFFICE HOLDERS		
Annual Leave	-	22,252
Long Service Leave	-	26,741
Other employee provisions	-	-
	<u>-</u>	<u>-</u>
Subtotal employee other than office holders provisions	<u>-</u>	<u>48,993</u>
Aggregate employee entitlement liability	<u>277,113</u>	<u>327,838</u>
Number of employees at year end	<u>18</u>	<u>20</u>

NOTE 13 - FINANCIAL BORROWINGS

CURRENT

Hire purchase - Guild Insurance - secured (a)	21,075	27,231
Loan from Guild Insurance - secured (b)	15,178	-
	<u>36,253</u>	<u>27,231</u>

NON CURRENT

Hire purchase - Guild Insurance- secured (a)	46,977	85,708
Loan from Guild Insurance - secured (b)	43,765	-
	<u>126,995</u>	<u>112,939</u>

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

(b) The loan relates to moving costs incurred in the relocation to new rental premises.

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2016**

	2016 \$	2015 \$
NOTE 14 - CAPITAL AND LEASING COMMITMENTS		
The Branch has the following operating lease commitments relating to photocopiers:		
- Within one year	-	-
- Later than one year but less than three years	-	-
Total	-	-

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

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

The Branch has entered into an agreement on 1 August 2015 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 and National Councillor)	P Simmons (Vice President)
S Schultz (Vice President)	A Doan (Senior Vice President)
T Gross	M Ajdukovic (Acting Branch Director)
M Apolloni	T Huynh
H Flannery	I Todd (National Councillor)

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:

	2016 \$	2015 \$
Committee Members' remuneration		
- Gross remuneration	80,501	84,314
Total remuneration	80,501	84,314
Remuneration - employees including Branch Director (other than holders of office)	883,194	985,017
The aggregate amount of employee benefits payable to the Branch Director	-	12,197

d) The aggregate amount paid during the year to a superannuation fund by The Pharmacy Guild of Australia (SA Branch) in connection with the resignation of any Branch Committee Member or Branch Director and not included as remuneration as above was \$ (2015: 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 2016**

NOTE 15 - RELATED PARTY DISCLOSURES (CONT)

	2016	2015
	\$	\$
f) Amounts receivable/accrued for commissions from related parties - current		
Guild Insurance Ltd	19,025	22,366
Gold Cross Products and Services	5,500	5,000
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	149,257	173,574
Gold Cross Products and Services	24,285	22,560
h) The aggregate of membership expenses paid to the ultimate controlling entity	258,948	460,741
The aggregate of membership expenses payable to the ultimate controlling entity		
	-	-
i) Amount receivable/(payable) to related parties:		
- Guild Insurance - Hire purchase liabilities	(68,052)	(112,938)
- Guild Insurance - Borrowings	(58,943)	-
- Pharmacy Guild Australia	(3,609)	31,198
i) Amount (payable) to related parties:		
- Pharmacy Guild (NT Branch)	-	-
- Pharmacy Guild (TAS Branch)	-	-
- Pharmacy Guild (WA Branch)	-	(6,050)

NOTE 16 - KEY MANAGEMENT PERSONNEL REMUNERATION

Short-term employee benefits		
Salary (including annual leave taken)	132,677	140,264
Annual leave accrued	18,777	19,048
Total short-term employee benefits	151,454	159,312
Post-employment benefits:		
Superannuation	20,697	17,317
Total post-employment benefits	20,697	17,317
Other long-term benefits:		
Long-service leave	25,728	22,511
Total other long-term benefits	25,728	22,511
Termination benefits	34,633	-
Total	232,512	199,140

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2016**

	2016	2015
	\$	\$
NOTE 17 - CASH FLOW INFORMATION		
(a) Reconciliation of cash:		
Cash on hand	200	200
Cash at bank	2,222,073	1,244,282
	<u>2,222,273</u>	<u>1,244,482</u>
(b) Reconciliation of profit from operations to net cash provided by operating activities:		
Profit/(loss) from operations	(70,946)	(282,542)
Non-cash flows in profit from operations:		
Depreciation - property, plant and equipment	41,379	63,979
Loss on disposal of fixed assets	(78,357)	12,390
Changes in assets and liabilities:		
Decrease in receivables	34,088	24,751
(Increase)/decrease in prepayments	7,899	(4,225)
Increase/(decrease) in payables/unearned income	33,392	(146,517)
Increase/(decrease) in provisions	(50,724)	26,059
Net cash provided by operating activities	<u>(83,269)</u>	<u>(306,105)</u>
(c) At balance date, the Branch had a loan outstanding of \$58,943. (2015 : nil)		
(d) Cash flows from		
Guild Insurance Ltd	167,912	151,208
Gold Cross Products and Services	26,989	28,274
Pharmacy Guild of Australia National Secretariat	388,704	356,505
Pharmacy Guild of Australia ACT	-	1,405
Pharmacy Guild of Australia NT	-	1,500
Pharmacy Guild of Australia NSW	3,928	3,167
Pharmacy Guild of Australia QLD	2,392	1,516
Pharmacy Guild of Australia VIC	-	2,668
Pharmacy Guild of Australia TAS	2,310	2,337
	<u>592,235</u>	<u>548,580</u>
(e) Cash flows to		
Pharmacy Guild of Australia National Secretariat	323,183	557,179
Pharmacy Guild of Australia NSW	-	1,757
Pharmacy Guild of Australia TAS	-	5,530
Pharmacy Guild of Australia VIC	-	1,127
Pharmacy Guild of Australia NT	-	4,400
Pharmacy Guild of Australia ACT	-	-
Pharmacy Guild of Australia QLD	153	-
Pharmacy Guild of Australia WA	6,050	6,050
	<u>329,385</u>	<u>576,043</u>

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2016**

	2016	2015
	\$	\$
NOTE 18 - REMUNERATION OF AUDITORS		
Financial statement audit services	12,855	12,388
Other services	2,250	4,600
Total remuneration of auditors	<u>15,105</u>	<u>16,988</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 2016 and 30 June 2015 are as follows:

	2016	2015
	\$	\$
Total Borrowings	126,995	112,939
Less cash and cash equivalents	<u>(2,222,273)</u>	<u>(1,244,482)</u>
Net (surplus)/ debt	<u>(2,095,278)</u>	<u>(1,131,543)</u>
Total equity (reserves + retained earnings)	<u>1,684,978</u>	<u>1,755,923</u>
Total capital	<u>410,300</u>	<u>624,380</u>
Gearing ratio	-511%	-181%

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 2016**

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 \$	
2016							
Trade and term receivables	43,670	800	2,625	1,770	4,686	34,590	2,625
Other receivables	32,690		32,690				32,690
Total	76,360	800	35,315	1,770	4,686	34,590	35,315
2015							
Trade and term receivables	74,105	800	61,726	313	2,935	9,131	61,726
Other receivables	31,152		31,152				31,152
Total	105,257	800	92,878	313	2,935	9,131	92,878

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

NOTE 20 - BRANCH DETAILS

The principal place of business of the branch is:

The Pharmacy Guild of Australia (SA Branch)
Unit 12, 202-208 Glen Osmond Road
Fullarton SA 5063

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 2016**

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).