



6 November 2017

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

Sent via email

Dear Mr Schwarz

Re: – The Pharmacy Guild of Australia, South Australian Branch - financial report for year ending 30 June 2017 (FR2017/229)

I refer to the financial report of the South Australian Branch of the Pharmacy Guild of Australia. The documents were lodged with the Registered Organisations Commission ('the ROC') on 13 October 2017.

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

You are not required to take any further action in respect of the report lodged. However I make the following comments to assist you when preparing next year's report. Please note that the financial report for the year ending 30 June 2018 may be subject to an advanced compliance review.

Documents must be lodged with ROC within 14 days of General Meeting – extensions of time

Section 268 of the RO Act requires the full report and a designated officer's certificate to be lodged with the ROC within 14 days of the general meeting referred to in section 266. The Designated Officer's Certificate indicates that this meeting occurred on 27 September 2017. In this case the Branch should have lodged the full report by 11 October 2017 or made a request prior to that date for an extension of time to lodge the report.

I note your advice in relation to the delay, but please note that section 268 is a civil penalty provision.

Disclosure of capitation fees to another reporting unit

Reporting Guideline 16(b) requires that where capitation fees to another reporting unit are paid, the amount and the name of each reporting unit are to be disclosed in either the Statement of Comprehensive Income or the notes.

An amount was disclosed for "Membership Expense - National" which you confirmed was a form of capitation fee expense, however Note 4 discloses a nil amount for "Capitation fees" expense. Next year's report should avoid the conflicting disclosure along the lines of the advice you provided on 17 January 2017.

Reporting Requirements

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

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

Yours faithfully

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

Stephen Kellett
Financial Reporting
Registered Organisations Commission

Pharmacy Guild of Australia (SA Branch)

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

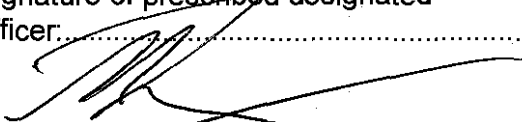
Certificate for the period ended 30 June 2017

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 2017 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on *29 August 2017*; and
- that the full report was presented to a general meeting of members of the reporting unit on *27 September 2017* 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:

28/9/17

.....

Financial Report

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

Year Ended 30 June 2017

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

OPERATING REPORT YEAR ENDED 30 JUNE 2017

Your Branch Committee present their report on the Pharmacy Guild of Australia (SA Branch) for the financial year ended 30 June 2017.

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 profit of the Branch for the financial year amounted to \$96,823 (2016: loss of \$70,946).

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 2017**

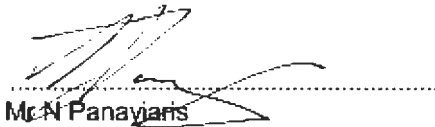
Insurance of Officers

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 23rd day of August 2017:

Branch President



Mr N Panayaris

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

**BRANCH COMMITTEE STATEMENT
YEAR ENDED 30 JUNE 2017**

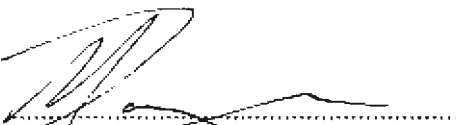
On 23 August 2017, the Branch Committee of The Pharmacy Guild of Australia (SA Branch) passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended *30 June* 2017 and instructed Nick Harry Panayiaris and Paul David Simmons, being the Branch President and Vice President (Finance) to sign the Branch Committee Statement:

We declare that in our opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the General Manager;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
 - (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 23rd day of August 2017


.....
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 2017**

	Note	2017 \$	2016 \$
Revenue	3	2,507,841	2,166,717
Employee expenses	5	1,196,819	1,249,820
Depreciation		19,814	41,379
Electricity		16,244	13,357
Finance costs		3,894	7,736
Insurance		13,238	15,701
Leasing Equipment		13,004	14,614
Rates and Taxes		-	1,945
Membership expense - National		455,536	258,948
Telephone		13,467	20,191
(Profit) / Loss on disposal of fixed assets		3,577	(78,357)
Other expenses	4	675,425	692,331
(Loss)/Profit for the year		<u>96,823</u>	<u>(70,946)</u>
Other comprehensive income			
Net gain on the revaluation of property, plant and equipment recognised directly in equity		-	-
Total other comprehensive income for the year		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>96,823</u>	<u>(70,946)</u>

The accompanying notes form part of these financial statements

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

	Note	2017 \$	2016 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	2,295,886	2,222,273
Trade and other receivables	7	99,315	88,524
Other current assets	8	27,208	29,517
TOTAL CURRENT ASSETS		<u>2,422,409</u>	<u>2,340,314</u>
NON-CURRENT ASSETS			
Property, plant and equipment	9	49,195	119,177
TOTAL NON-CURRENT ASSETS		<u>49,195</u>	<u>119,177</u>
TOTAL ASSETS		<u>2,471,604</u>	<u>2,459,491</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	73,200	119,185
Income received in advance		312,066	251,220
Short-term provisions	11	304,537	277,113
Borrowings	12	-	36,253
TOTAL CURRENT LIABILITIES		<u>689,803</u>	<u>683,771</u>
NON-CURRENT LIABILITIES			
Borrowings	12	-	90,742
TOTAL NON CURRENT LIABILITIES		<u>-</u>	<u>90,742</u>
TOTAL LIABILITIES		<u>689,803</u>	<u>774,513</u>
NET ASSETS		<u>1,781,801</u>	<u>1,684,978</u>
EQUITY			
Retained earnings		1,781,801	1,684,978
TOTAL EQUITY		<u>1,781,801</u>	<u>1,684,978</u>

The accompanying notes form part of these financial statements

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

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

	Asset Revaluation Reserve \$	Retained Earnings \$	Total \$
Balance as at 1 July 2015	177,715	1,578,209	1,755,924
Transfers from reserves	(177,715)	177,715	-
Loss for the year	-	(70,946)	(70,946)
Closing balance as at 30 June 2016	-	1,684,978	1,684,978
Transfer from reserves	-	-	-
Surplus for the year	-	96,823	96,823
Closing balance as at 30 June 2017	-	1,781,801	1,781,801

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 2017**

	Note	2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from other reporting units	16(d)	640,273	592,235
Receipts from customers		1,861,813	1,627,792
Payments to other reporting units	16(e)	(557,053)	(329,385)
Payments to suppliers and employees		(1,831,362)	(2,005,784)
Interest received		44,239	39,609
Borrowing costs		(3,894)	(7,736)
Net cash (used in)/provided by operating activities	16(b)	<u>154,016</u>	<u>(83,269)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		46,592	1,090,764
Purchase of property, plant and equipment		<u>-</u>	<u>(43,760)</u>
Net cash provided by/(used in) investing activities		<u>46,592</u>	<u>1,047,004</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds of borrowings		-	58,943
Repayments of borrowings		<u>(126,995)</u>	<u>(44,887)</u>
Net cash (used in)/provided by financing activities		<u>(126,995)</u>	<u>14,056</u>
Net increase in cash and cash equivalents		73,613	977,791
Cash and cash equivalents at the beginning of the year		<u>2,222,273</u>	<u>1,244,482</u>
Cash and cash equivalents at the end of the year	16(a)	<u><u>2,295,886</u></u>	<u><u>2,222,273</u></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 2017

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

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2017

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 16 Leases

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2017**

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 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.

(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.

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

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

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.

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.

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2017**

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(d) Financial assets (Cont)

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.

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.

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(d) Financial assets (Cont)

Impairment of financial assets (Cont)

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.

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.

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

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

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 2017**

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.

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2017

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 2017:

- (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 2017**

NOTE 2 - EVENTS AFTER THE REPORTING PERIOD

There were no events that occurred after 30 June 2017 and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Guild.

	2017	2016
	\$	\$
NOTE 3 - REVENUE		
Operating Activities		
Members subscriptions	776,012	577,024
Nominal members subscription	450	360
Clearing house subscription	-	8,636
Commissions	207,757	177,005
Training income	251,353	189,962
Quality care income	314,666	250,150
Clean Needle Funding Program	83,348	81,955
Sundry income	2,875	24,724
Pharmacy Liaison Officer/Customer Experience Index	68,058	68,058
Rental revenue	-	3,936
Payroll services	755,534	739,866
	<u>2,460,053</u>	<u>2,121,676</u>
Non-Operating Activities		
Interest received from other persons	<u>47,788</u>	<u>45,041</u>
	<u>2,507,841</u>	<u>2,166,717</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 2017**

	2017 \$	2016 \$
NOTE 4 - OTHER EXPENSES FROM ORDINARY ACTIVITIES		
Remuneration of auditor		
- audit or review services	13,055	12,855
- other services	3,450	2,250
	<hr/>	<hr/>
Total remuneration	16,505	15,105
	<hr/>	<hr/>
Advertising	6,970	3,220
Bank fees	9,571	10,885
Capitation fees	-	-
Committee Expenses	3,009	5,946
Catering	1,467	8,892
Cleaning	8,671	8,477
Fees/allowances - meeting and conferences	5,497	2,397
Outside wages expense	71,967	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	3,175	1,280
- total paid that exceeded \$1,000	6,818	22,297
Entertainment	2,616	6,060
IT expenses	94,563	76,488
Legal costs	19	13,990
Motor vehicles	12,657	25,807
Payroll service	205,189	204,006
Postage & freight	8,779	12,655
Printing & stationery	13,413	11,395
Penalties - via RO Act or RO Regulations	-	-
Affiliation fees	-	-
Subscriptions & memberships	3,233	7,771
Travel expense	11,053	31,665
Waste management	37,380	49,174
Consultant fees	11,861	13,204
Repairs and maintenance	1,756	15,592
Rent	111,442	82,630
Sundry expenses	27,814	33,609
	<hr/>	<hr/>
	675,425	692,331

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	\$	\$
NOTE 5 - EMPLOYEE EXPENSES		
 Holders of Office		
Wages and salaries	71,393	73,051
Superannuation	6,782	6,940
Leave and other entitlements	-	-
Separation and redundancies	-	-
Other employee expenses	4,379	4,469
	<hr/>	<hr/>
Subtotal employee expenses holders of office	82,554	84,460
Employees other than office holders:		
Wages and salaries	859,584	848,561
Superannuation	106,235	122,977
Leave and other entitlements	51,255	46,876
Separation and redundancies	23,439	85,313
Other employee expenses	73,752	61,632
	<hr/>	<hr/>
Subtotal employee expenses employees other than holders of office	1,114,265	1,165,359
	<hr/>	<hr/>
Total employee benefits expense	1,196,819	1,249,820
	<hr/> <hr/>	<hr/> <hr/>

NOTE 6 - CASH AND CASH EQUIVALENTS

Cash on hand	200	200
Cash at bank	2,295,686	2,222,073
	<hr/>	<hr/>
	2,295,886	2,222,273
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THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	\$	\$
NOTE 7 - TRADE AND OTHER RECEIVABLES		
CURRENT		
<i>Receivable from other reporting units</i>		
National Secretariat	-	-
Pharmacy Guild of Australia (NT Branch)	-	45
Pharmacy Guild of Australia (NSW Branch)	221	-
	<u>221</u>	<u>-</u>
Total receivables from other reporting units	221	45
Less provision for doubtful debts	-	-
	<u>-</u>	<u>-</u>
Receivables from other reporting units (net)	221	45
	<u>221</u>	<u>45</u>
Trade receivables	44,782	42,625
Less provision for doubtful debts	(800)	(800)
	<u>43,982</u>	<u>41,825</u>
Trade receivables (net)	43,982	41,825
	<u>43,982</u>	<u>41,825</u>
Other debtors	39,747	32,690
GST receivable from Australian Taxation Office	15,365	12,964
	<u>55,112</u>	<u>45,654</u>
Other receivables	55,112	45,654
	<u>55,112</u>	<u>45,654</u>
Total Current Trade and Other Receivables	<u>99,315</u>	<u>88,524</u>

NOTE 8 - OTHER CURRENT ASSETS

CURRENT

Prepayments	27,208	29,517
	<u>27,208</u>	<u>29,517</u>

NOTE 9 - PROPERTY, PLANT AND EQUIPMENT

NON CURRENT

Plant and Equipment		
Office equipment and furniture - at cost	142,759	142,759
Less accumulated depreciation	(93,564)	(85,765)
	<u>49,195</u>	<u>56,994</u>
Motor vehicles - at cost	-	101,708
Less accumulated depreciation	-	(39,525)
	<u>-</u>	<u>62,183</u>
Total Plant and Equipment	<u>49,195</u>	<u>119,177</u>

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2017**

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
	\$	\$	\$	\$	\$
2017					
Balance at the beginning of the year	-	-	56,993	62,184	119,177
Additions	-	-	-	-	-
Disposal	-	-	-	(50,169)	(50,169)
Depreciation expense	-	-	(7,798)	(12,015)	(19,813)
Carrying amount at the end of the year	-	-	49,195	-	49,195
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)
Depreciation expense	-	(4,861)	(13,888)	(22,630)	(41,379)
Carrying amount at the end of the year	-	-	56,993	62,184	119,177

NOTE 10 - TRADE AND OTHER PAYABLES

CURRENT

Trade creditors and accruals	65,367	110,116
Consideration to employers for payroll deductions	-	-
Legal costs	-	-
GST payable	7,833	9,069
	<u>73,200</u>	<u>119,185</u>

NOTE 11 - EMPLOYEE PROVISIONS

EMPLOYEES OTHER THAN OFFICE HOLDERS

Annual Leave	136,695	124,413
Long Service Leave	167,842	152,700
Separations and redundancy	-	-
Other employee provisions	-	-
Subtotal employee provisions	<u>304,537</u>	<u>277,113</u>

OFFICE HOLDERS

Annual Leave	-	-
Long Service Leave	-	-
Other employee provisions	-	-
Subtotal employee other than office holders provisions	<u>-</u>	<u>-</u>

Subtotal employee other than office holders provisions

Aggregate employee entitlement liability	<u>304,537</u>	<u>277,113</u>
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Number of employees at year end

16 18

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2017**

	2017	2016
	\$	\$
NOTE 12 - FINANCIAL BORROWINGS		
CURRENT		
Hire purchase - Guild Insurance - secured (a)	-	21,075
Loan from Guild Insurance - secured (b)	-	15,178
	<u>-</u>	<u>36,253</u>
NON CURRENT		
Hire purchase - Guild Insurance- secured (a)	-	46,977
Loan from Guild Insurance - secured (b)	-	43,765
	<u>-</u>	<u>90,742</u>
Total Financial Borrowings	<u>-</u>	<u>126,995</u>

- (a) The previous hire purchase liability was for four motor vehicles. The vehicles acted as security.
(b) The previous loan relates to moving costs incurred in the relocation to new rental premises.

NOTE 13 - CAPITAL AND LEASING COMMITMENTS

The Branch has the following operating lease commitments relating to motor vehicles:

- Within one year	35,282	-
- Later than one year but less than three years	70,564	-
Total	<u>105,846</u>	<u>-</u>

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

- Within one year	121,719	118,956
- Later than one year but less than three years	252,062	246,284
Total	<u>373,781</u>	<u>365,240</u>

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.

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2017**

NOTE 14 - 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
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:

	2017	2016
	\$	\$
Committee Members' remuneration		
- Gross remuneration	78,175	79,991
Total remuneration	78,175	79,991
Gross Remuneration - employees including Branch Director (other than holders of office)	1,017,074	1,018,414
The aggregate amount of employee benefits payable to the Branch Director	-	-

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 \$ (2016: Nil).

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

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

Guild Insurance Ltd	26,183	19,025
Gold Cross Products and Services	5,000	5,500

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	182,100	149,257
Gold Cross Products and Services	23,943	24,285

h) The aggregate of membership expenses paid to the ultimate controlling entity

455,536	258,948
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The aggregate of membership expenses payable to the ultimate controlling entity

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THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 14 - RELATED PARTY DISCLOSURES (CONT)

	2017	2016
	\$	\$
i) Amount receivable/(payable) to related parties:		
- Guild Insurance - Hire purchase liabilities	-	(68,052)
- Guild Insurance - Borrowings	-	(58,943)
- Pharmacy Guild Australia	(3,444)	(3,609)
i) Amount (payable) to related parties:		
- Pharmacy Guild (NT Branch)		-
- Pharmacy Guild (TAS Branch)		-
- Pharmacy Guild (WA Branch)		-

NOTE 15 - KEY MANAGEMENT PERSONNEL REMUNERATION

Short-term employee benefits

Salary (including annual leave taken)	131,935	132,677
Annual leave accrued	6,568	18,777
Total short-term employee benefits	<u>138,503</u>	<u>151,454</u>

Post-employment benefits:

Superannuation	13,008	20,697
Total post-employment benefits	<u>13,008</u>	<u>20,697</u>

Other long-term benefits:

Long-service leave	-	25,728
Total other long-term benefits	<u>-</u>	<u>25,728</u>

Termination benefits

Termination benefits	<u>3,749</u>	<u>34,633</u>
Total	<u>155,260</u>	<u>232,511</u>

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	\$	\$
NOTE 16 - CASH FLOW INFORMATION		
(a) Reconciliation of cash:		
Cash on hand	200	200
Cash at bank	2,295,686	2,222,073
	<u>2,295,886</u>	<u>2,222,273</u>
(b) Reconciliation of profit from operations to net cash provided by operating activities:		
Profit/(loss) from operations	96,823	(70,946)
Non-cash flows in profit from operations:		
Depreciation - property, plant and equipment	19,814	41,379
Profit/(loss) on disposal of fixed assets	3,577	(78,357)
Changes in assets and liabilities:		
(Increase)/decrease in receivables	(10,791)	34,088
(Increase)/decrease in prepayments	2,309	7,899
Increase/(decrease) in payables/unearned income	14,860	33,392
Increase/(decrease) in provisions	27,424	(50,724)
Net cash provided by operating activities	<u>154,016</u>	<u>(83,269)</u>
(c) At balance date, the Branch had a loan outstanding of \$Nil (2016 : \$58,943)		
(d) Cash flows from		
Guild Insurance Ltd	174,942	167,912
Gold Cross Products and Services	26,887	26,989
Pharmacy Guild of Australia National Secretariat	435,226	388,704
Pharmacy Guild of Australia ACT	-	-
Pharmacy Guild of Australia NT	45	-
Pharmacy Guild of Australia NSW	1,285	3,928
Pharmacy Guild of Australia QLD	1,888	2,392
Pharmacy Guild of Australia VIC	-	-
Pharmacy Guild of Australia TAS	-	2,310
	<u>640,273</u>	<u>592,235</u>
(e) Cash flows to		
Pharmacy Guild of Australia National Secretariat	536,003	323,183
Pharmacy Guild of Australia NSW	-	-
Pharmacy Guild of Australia TAS	1,000	-
Pharmacy Guild of Australia VIC	-	-
Pharmacy Guild of Australia NT	-	-
Pharmacy Guild of Australia ACT	-	-
Pharmacy Guild of Australia QLD	7,950	153
Pharmacy Guild of Australia WA	12,100	6,050
	<u>557,053</u>	<u>329,385</u>

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	\$	\$
NOTE 17 - REMUNERATION OF AUDITORS		
Financial statement audit services	13,055	12,855
Other services	3,450	2,250
Total remuneration of auditors	16,505	15,105

Other services provided relate to accounting services.

NOTE 18 - 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 2017 and 30 June 2016 are as follows:

	2017	2016
	\$	\$
Total Borrowings	-	126,995
Less cash and cash equivalents	(2,295,886)	(2,222,273)
Net (surplus)/ debt	(2,295,886)	(2,095,278)
Total equity (reserves + retained earnings)	1,781,801	1,684,978
Total capital	514,084	410,300
Gearing ratio	-447%	-511%

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 2017

NOTE 18 - 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 \$	
2017							
Trade and term receivables	43,003	800	24,367	708	4,746	13,182	24,367
Other receivables	41,747		41,747				41,747
Total	84,750	800	66,114	708	4,746	13,182	66,114
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

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

NOTE 19 - 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 20 - LEGAL MATTERS

The Branch has no contingent assets or liabilities.

The Branch has no litigation and other legal matters.

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

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

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

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Independent Audit Report to the Members of the Pharmacy Guild of Australia (SA Branch)

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of the Pharmacy Guild of Australia (SA Branch) (the Reporting Unit), which comprises the statement of financial position as at 30 June 2017, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2017, notes to the financial statements, including a summary of significant accounting policies; and the statement by the Branch Committee.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Pharmacy Guild of Australia (SA Branch) as at 30 June 2017, and its financial performance and its cash flows for the year ended on that date in accordance with:

- a the Australian Accounting Standards; and
- b any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act).

We declare that management's use of the going concern basis in the preparation of the financial statements of the Reporting Unit is appropriate.

Basis for Opinion

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

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

Information Other than the Financial Report and Auditor's Report Thereon

The Branch Committee is responsible for the other information. The other information obtained at the date of this auditor's report is in the Operating Report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Branch Committee for the Financial Report

The Branch Committee of the Reporting Unit is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the Branch Committee determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Reporting Unit's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Branch Committee.
- Conclude on the appropriateness of the Branch Committee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Reporting Unit's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Reporting Unit to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Reporting Unit to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Reporting Unit audit. We remain solely responsible for our audit opinion.

We communicate with the Branch Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We declare that Bronwyn Wundersitz is an approved auditor, a member of Chartered Accountants Australia and New Zealand and holds a current Public Practice Certificate.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



B K Wundersitz
Partner - Audit & Assurance

Adelaide, 23 August 2017

Registration number (as registered by the RO Commissioner under the RO Act): AA2017/163