



17 January 2020

Nick Panayiaris
President, South Australia Branch
The Pharmacy Guild of Australia

Dear Sir

Re: – The Pharmacy Guild of Australia, South Australia Branch - financial report for year ending 30 June 2019 (FR2019/180)

I refer to the financial report of the South Australia Branch of The Pharmacy Guild of Australia.. The documents were lodged with the Registered Organisations Commission (**ROC**) on 11 December 2019.

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. Please note that the financial report for the year ending 30 June 2020 may be subject to an advanced compliance review.

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

Documents must be lodged with ROC within 14 days after presentation meeting

Section 268 of the RO Act requires a copy of the full report and the designated officer's certificate to be lodged with the ROC within 14 days after the meeting referred to in section 266. The designated officer's certificate indicates that this meeting occurred on 23 October 2019, and the relevant 14 day period expired on 6 November 2019.

Please note that in future financial years if the branch anticipates that it cannot lodge within the 14 day period prescribed, 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.

Audit scope to include officer's declaration statement

Where any nil activity disclosures are contained in an officer's declaration statement, in accordance with reporting guideline 21, the officer's declaration statement also forms part of a general purpose financial report prepared under section 253 of the RO Act (see subsection 253(2)(c) of the RO Act.)

Please also note that an officer's declaration statement must, where one is prepared, be identified by title in the auditor's statement in accordance with paragraph 24(c) of Australian Auditing Standard ASA 700 *Forming an Opinion and Reporting on a Financial Report*.

An officer's declaration statement was included in the copy of the documents lodged with the ROC but the auditor did not refer to the statement in the auditor's report.

Auditor's report: declaration regarding going concern

Reporting guideline 30 requires an auditor to include in the auditor's statement a declaration that as part of the audit of the financial statements they have concluded that management's use of the going concern basis of accounting in the preparation of the reporting unit's financial statements is appropriate. This declaration was not included in the auditor's statement.

Auditor's report: Other Information

The auditor's statement did not include information that is (a) referred to in paragraph 32 of ASA 700 *Forming an Opinion and Reporting on a Financial Report* and in paragraphs 21 and 22 of ASA 720 *The Auditor's Responsibilities relating to Other Information*, or (b) referred to in subsection 257(7)(b) of the RO Act. An illustrative audit report reflecting this other information is included with the model financial statements on the ROC website at <https://www.roc.gov.au/resources-and-decisions/fact-sheets-templates-and-webinars>.

Auditor's report: new form of qualification declaration

Reporting guideline 29(a) sets out a new form of auditor declaration replacing the form used in earlier models that had been based on the previous RO regulation 4 *Meaning of Approved Auditor*.¹

Nil activity disclosures - various

Reporting guideline 21 states that if any activity described within items 10-20 of the reporting guidelines has not occurred in the reporting period, a statement to this effect² must be included in the financial statements, notes to the financial statements or an officer's declaration statement. The officer's declaration statement provides reporting units with an option to disclose nil activities not reported elsewhere. Nil activities only have to be disclosed once. I note that the officer's declaration statement included disclosures for which there was an equivalent disclosure at Note 4:

- RG14(c) - pay fees or periodic subscriptions in respect of its affiliation to any political party, any federation, congress, council or group of organisations, or any international body having an interest in industrial matters;
- RG14(k) - pay a penalty imposed under the RO Act or the Fair Work Act 2009

The officer's declaration statement also included nil activity information in respect of RG17(d) – have a balance within the general fund. Having regard to the definition of general fund in the glossary on page 11/13 of the reporting guidelines, it would appear that the balance of equity of \$1,857,919 is the balance of the general fund and no nil activity information was applicable.

The officer's declaration statement also include nil activity information in respect of RG14(h) - pay to a person fees or allowances to attend conferences or meetings as a representative of the reporting unit. Having regard to the balance disclosed at Note 4 for "fees/allowances – meeting and conferences", it would appear no nil activity information was applicable.

Committee of management statement – date of signing

Reporting guideline 27(d) requires that the committee of management statement be dated as at the date the designated officer signs the statement. This is separate from the requirement of reporting guideline 27(b) that the statement specify the date of passage of the resolution, because it may not always be the case that the statement is signed on the date the resolution was passed. The committee of management statement specified the date of resolution but no date accompanied the signatures.

¹ Regulation 4 was removed and replaced in the new regulations effective on 2 May 2017. The new declaration reflects the registration of auditors under section 255B of the RO Act.

² Or a nil line item balance as illustrated in the model financial statements

Reporting Requirements

The ROC website provides a number of factsheets in relation to the financial reporting process and associated timelines. The website also contains the s.253 reporting guidelines and a model set of financial statements. The ROC recommends that reporting units use these model financial statements to assist in complying with the RO Act, the s.253 reporting guidelines and Australian Accounting Standards. Access to this information is available via [this link](#).

If you have any questions about the above or the reporting requirements, please do not hesitate to contact me by email at stephen.kellett@roc.gov.au.

Yours faithfully

A handwritten signature in black ink, appearing to read "Stephen Kellett", with a 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 2019

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 2019 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 *26th September 2019*; and
- that the full report was presented to a meeting of the committee of management of the reporting unit on *23 October 2019* 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: 11th December 2019

**THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)
ABN 38 946 547 960**

Financial Report

**For the Year Ended
30 June 2019**

For the Year Ended 30 June 2019

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THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)
ABN 38 946 547 960

OPERATING REPORT
For the Year Ended 30 June 2019

Your Branch Committee present their report on the Pharmacy Guild of Australia (SA Branch) for the financial year ended 30 June 2019.

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- Finance)
- A Doan (National Councillor)
- T Goss (Vice President)
- M Ajdukovic
- M Apolloni (Vice President)
- R Wynne
- A Phillips
- F Heidari
- I Todd

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

The deficit of the Branch for the financial year amounted to \$21,542 (2018: surplus \$97,660).

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.

No significant changes in the Branch's financial affairs occurred during the financial year.

Officers or members who are superannuation fund trustee(s) or a director of a company that is a superannuation fund trustee where being a member or officer of a registered organisation is a criterion for them holding such position are detailed below.

Mr N Panayiaris - Director of the Guild Group Holdings Limited which is the parent entity of Guild Superannuation Services Pty Limited which is the trustee for the Guild Retirement Fund, which includes GuildSuper, Guild Pension and Child Care Super Guild Trustee Services Pty Limited.

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

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)
ABN 38 946 547 960

OPERATING REPORT (CONT)
For the Year Ended 30 June 2019

iii) Section 272 of the Fair Work (Registered Organisations) Act 2009 outlines members and the Branches rights to certain prescribed information.

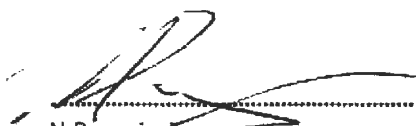
The number of persons who were, at the end of the financial year to which the report relates, recorded in the register of members under Section 230 of the Fair Work (Registered Organisations) Act 2009 and who are taken to be members of the reporting unit under Section 244 of the Fair Work (Registered Organisations) Act 2009 was 247 members.

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 included 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 included both full time employees and part time employees measured on a full time equivalent basis was 16.

Signed in accordance with a resolution of the Branch Committee dated 25th September 2019



N Panayiaris
Branch President

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)
ABN 38 946 547 960


BRANCH COMMITTEE STATEMENT
For the Year Ended 30 June 2019

On the 25th September 2019, 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 2019:

The Branch Committee declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with 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);
- (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 Guild 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 Guild 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 Guild 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 consistent manner 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 Commissioner duly made under section 272 of the RO Act has been provided to the member or Commissioner; 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.

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


.....
N Panayiaris
Branch President


.....
P Simmons
Vice President

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)
ABN 38 946 547 960


EXPENDITURE REPORT
For the Year Ended 30 June 2019

The Committee of Management presents the Expenditure Report as required under subsection 255(2A) on the Reporting Unit for the year ended 30 June 2019.

Categories of Expenditure	2019 \$	2018 \$
Remuneration and other employment related costs and expenses - employees	1,271,972	1,191,167
Advertising	17,501	9,387
Operating costs	1,010,352	1,051,444
Donations to political parties	15,604	5,789
Legal costs	7,062	-

Signature of designated officer

Name and title of designated officer

 BRANCH PRESIDENT

Signed on 25th September 2019

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
 For the Year Ended 30 June 2019

	Note	2019 \$	2018 \$
Revenue	3	2,300,949	2,355,447
Employee expenses	5	1,271,972	1,191,167
Depreciation		6,082	7,710
Electricity		19,875	16,604
Finance costs		-	-
Insurance		16,758	15,381
Leasing Equipment		12,665	13,001
Rates and Taxes		-	-
Capitation Fees - Pharmacy Guild of Australia National Secretariat		287,134	294,373
Telephone		11,977	11,373
(Gain) / Loss on disposal of fixed assets		216	-
Other expenses	4	<u>695,812</u>	<u>708,178</u>
Surplus for the year		<u>(21,542)</u>	<u>97,660</u>
Other comprehensive income			
Net gain on the revaluation of property, plant and equipment recognised directly in equity		<u>-</u>	<u>-</u>
Total other comprehensive income for the year		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u><u>(21,542)</u></u>	<u><u>97,660</u></u>

The accompanying notes form part of these financial statements

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)
 ABN 38 946 547 960

STATEMENT OF FINANCIAL POSITION
 As At 30 June 2019

	Note	2019 \$	2018 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	2,336,314	2,304,843
Trade and other receivables	7	49,368	69,336
Other current assets	8	24,981	27,885
TOTAL CURRENT ASSETS		<u>2,410,663</u>	<u>2,402,064</u>
NON-CURRENT ASSETS			
Property, plant and equipment	9	94,516	44,785
TOTAL NON-CURRENT ASSETS		<u>94,516</u>	<u>44,785</u>
TOTAL ASSETS		<u>2,505,179</u>	<u>2,446,849</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	101,725	100,093
Income received in advance	11	217,118	154,886
Short-term provisions	12	319,458	306,181
TOTAL CURRENT LIABILITIES		<u>638,301</u>	<u>561,160</u>
NON-CURRENT LIABILITIES			
Long-term provisions	12	8,959	6,228
TOTAL NON-CURRENT LIABILITIES		<u>8,959</u>	<u>6,228</u>
TOTAL LIABILITIES		<u>647,260</u>	<u>567,388</u>
NET ASSETS		<u>1,857,919</u>	<u>1,879,461</u>
EQUITY			
Retained earnings		1,857,919	1,879,461
TOTAL EQUITY		<u>1,857,919</u>	<u>1,879,461</u>

The accompanying notes form part of these financial statements

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)
ABN 38 946 547 960

STATEMENT OF CHANGES IN EQUITY
For the Year Ended 30 June 2019

	Retained Earnings \$	Total \$
Balance as at 1 July 2017	1,781,801	1,781,801
Transfer from reserves	-	-
Surplus for the year	97,660	97,660
Closing balance as at 30 June 2018	<u>1,879,461</u>	<u>1,879,461</u>
Transfer from reserves	-	-
Deficit for the year	(21,542)	(21,542)
Closing balance as at 30 June 2019	<u><u>1,857,919</u></u>	<u><u>1,857,919</u></u>

STATEMENT OF CASH FLOWS
 For the Year Ended 30 June 2019

	Note	2019 \$	2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from other reporting units	16(c)	478,838	511,903
Receipts from customers		1,959,782	1,676,310
Payments to other reporting units	16(d)	(351,637)	(364,212)
Payments to suppliers and employees		(2,048,455)	(1,858,811)
Interest received		48,973	47,067
Borrowing costs		-	-
Net cash provided by operating activities	16(b)	<u>87,501</u>	<u>12,257</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		-	-
Purchase of property, plant and equipment		(56,030)	(3,300)
Net cash provided by/(used in) investing activities		<u>(56,030)</u>	<u>(3,300)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of borrowings		-	-
Net cash (used in)/provided by financing activities		<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents		31,471	8,957
Cash and cash equivalents at the beginning of the year		<u>2,304,843</u>	<u>2,295,886</u>
Cash and cash equivalents at the end of the year	16(a)	<u>2,336,314</u>	<u>2,304,843</u>

The accompanying notes form part of these financial statements

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2019

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 Branch 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. 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 Committee Members 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 or amended Accounting Standards and Interpretations adopted

The Branch has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the entity.

The following Accounting Standards and Interpretations are most relevant to the Branch:

AASB 9 Financial Instruments

The Branch has adopted AASB 9 from 1 July 2018. The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the Branch makes an Irrevocable election on Initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI'). Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the Branch's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

Impact of adoption

There is no material impact in relation to the adoption of AASB 9.

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

New Accounting Standards for application in future periods

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 Branch include:

AASB 15 Revenue from Contracts with Customers

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an Branch will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Branch expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

The transitional provisions of this Standard permit an Branch to either: restate the contracts that existed in each prior period presented per AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors (subject to certain practical expedients in AASB 15); or recognise the cumulative effect of retrospective application to incomplete contracts on the date of initial application. There are also enhanced disclosure requirements regarding revenue.

The Branch is undertaking a detailed assessment of AASB 15. Based on an initial assessment, this standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when first adopted for the year ending 30 June 2020.

AASB 16 Leases

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations. AASB 16 introduces a single lessee accounting model that the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard include:

- recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-to-use assets in line with AASB 116: Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;
- variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date;
- by applying a practical expedient, a lessee is permitted to elect not to separate non-lease components and instead account for all components as a lease.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108 or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

The Branch is in the process of making a detailed assessment of AASB 16. Given there are operating leases held by the Branch, in relation to rental premises, the introduction of this standard may have an impact on the transactions and balances recognised in the financial statements, when the standard is first adopted for the year ending 30 June 2020, however this impact is yet to be determined.

(a) Income Tax

The income of the Branch is exempt from income tax under Section 50.15 of the Income Tax Assessment Act 1997 however still has an 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.

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

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 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.

Depreciation

The depreciable amount of all fixed assets are depreciated on a straight line basis over the useful lives of the assets to the Branch 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%-33.33%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

Derecognition

An item of 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.

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 Branch were deprived of the asset, its value in use is taken to be its current replacement cost.

(b) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the entity commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain significant financing component.

Classification and subsequent measurement

Financial liabilities

Financial liabilities are subsequently measured at:

- amortised cost; or
- fair value through profit and loss.

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

A financial liability is measured at fair value through profit and loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3 applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability cannot be reclassified.

Financial assets

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit and loss

on the basis of the two primary criteria, being:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset is subsequently measured at amortised cost when it meets the following conditions:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset is subsequently measured at fair value through other comprehensive income when it meets the following conditions:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the conditions of amortised cost and the fair value through other comprehensive income's measurement condition are subsequently measured at fair value through profit and loss. The entity initially designates financial instruments as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance to the documented risk management or investment strategy and information about the groupings was documented appropriately, so the performance of the financial liability that was part of an entity of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis; and
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of the financial instruments to measure at fair value through profit and loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All of the following criteria need to be satisfied for derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the entity no longer controls the asset (ie it has no practical ability to make unilateral decisions to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

Impairment

The entity recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost or fair value through other comprehensive income.

Loss allowance is not recognised for financial assets measured at fair value through profit or loss.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The entity used the simplified approach to impairment, as applicable under AASB 9.

Simplified approach

The simplified approach does not require tracking of changes in credit risk in every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

This approach is applicable to:

- trade receivables that result from transactions that are within the scope of AASB 15, that contain a significant financing component.

In measuring the expected credit loss, a provision matrix for trade receivables was used taking into consideration various data to get to an expected credit loss (ie diversity of its customer base, appropriate groupings of its historical loss experience, etc.).

Recognition of expected credit losses in financial statements

At each reporting date, the entity recognised the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

(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 Branch 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.

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(g) Leases

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

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

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

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

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) Trade Payables

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 the end of the reporting period 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.

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.

(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.

NOTES TO AND FORMING PART OF THE ACCOUNTS
 FOR THE YEAR ENDED 30 JUNE 2019

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

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 Branch 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 Branch recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Branch 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 Branch with no future related costs are recognised in profit or loss in the period in which they become receivable.

(r) 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.

(s) Economic dependency

The future operations of the Branch 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.

NOTE 2 - EVENTS AFTER THE REPORTING PERIOD

There are no matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Branch, the results of those operations, or the state of affairs of the Branch in future financial years.

	2019	2018
	\$	\$
NOTE 3 - REVENUE		
Operating Activities		
Members subscriptions	717,833	734,667
Nominal members subscription	180	720
New membership model supplement	57,000	57,000
Commissions	249	3,168
Training Income	214,558	263,032
Pharmacy Business Support (Inc. Customer Experience Index)	323,682	323,682
Clean Needle Funding Program	86,715	85,015
Sundry income	6,647	6,714
Rental revenue	.	.
Payroll services	845,112	834,383
	<u>2,251,976</u>	<u>2,308,381</u>

NOTES TO AND FORMING PART OF THE ACCOUNTS
 FOR THE YEAR ENDED 30 JUNE 2019

NOTE 3 - REVENUE (CONT)

	2019	2018
	\$	\$
Non-Operating Activities		
Interest received from other persons	48,973	47,066
	<u>2,300,949</u>	<u>2,355,447</u>
Revenue from recovery of wages activity		
Amounts recovered from employers in respect of wages	-	-
Interest received on recovered money	-	-
Total revenue from recovery of wages activity	<u>-</u>	<u>-</u>

No financial support received from another reporting unit.

NOTE 4 - OTHER EXPENSES FROM ORDINARY ACTIVITIES

Remuneration of auditor		
- audit or review services	11,000	13,750
- other services	-	1,455
Total remuneration	<u>11,000</u>	<u>15,205</u>
Advertising	17,501	9,387
Bank fees	7,454	8,843
Committee expenses	23,044	22,388
Catering	1,762	1,376
Cleaning	8,792	8,506
Fees/allowances - meeting and conferences	2,849	455
Outside wages expense	3,641	19,301
Donations		
- total paid that were \$1,000 or less	3,437	1,017
- total paid that exceeded \$1,000	17,167	9,773
Entertainment	2,615	2,673
IT expenses	91,819	97,545
Legal costs related to other matters	7,062	-
Motor vehicles	9,027	9,008
Payroll service	208,766	211,249
Postage & freight	5,061	4,295
Printing & stationery	9,388	14,371
Penalties - via RO Act or RO Regulations	-	-
Affiliation fees	-	-
Subscriptions & memberships	2,989	3,749
Travel expense	12,802	11,996
Waste management	35,740	30,470
Consultant fees	14,744	52,872
Repairs and maintenance	3,900	1,008
Rent	117,873	113,103
Preceda project costs	16,800	-
Sundry expenses	60,579	59,588
	<u>695,812</u>	<u>708,178</u>

NOTES TO AND FORMING PART OF THE ACCOUNTS
 FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
NOTE 5 - EMPLOYEE EXPENSES		
Holders of Office		
Wages and salaries	72,816	72,816
Superannuation	6,917	6,917
Leave and other entitlements	-	-
Separation and redundancies	-	-
Other employee expenses	4,418	4,466
Subtotal employee expenses holders of office	<u><u>84,151</u></u>	<u><u>84,199</u></u>
Employees other than office holders:		
Wages and salaries	897,457	858,939
Superannuation	112,557	107,432
Leave and other entitlements	99,244	76,000
Separation and redundancies	19,893	18,602
Other employee expenses	58,670	45,995
	<u><u>1,187,821</u></u>	<u><u>1,106,968</u></u>
Subtotal employee expenses employees other than holders of office	<u><u>1,271,972</u></u>	<u><u>1,191,167</u></u>
NOTE 6 - CASH AND CASH EQUIVALENTS		
Cash on hand	200	200
Cash at bank	2,336,114	2,304,643
	<u><u>2,336,314</u></u>	<u><u>2,304,843</u></u>
NOTE 7 - TRADE AND OTHER RECEIVABLES		
CURRENT		
Trade receivables	27,365	37,293
Less provision for doubtful debts	(800)	(800)
Trade receivables (net)	<u><u>26,565</u></u>	<u><u>36,493</u></u>
<i>Other receivables</i>		
Other debtors	5,471	16,730
Loan to GP Payroll Pty Ltd	2,000	2,000
GST receivable from Australian Taxation Office	15,332	14,113
	<u><u>22,803</u></u>	<u><u>32,843</u></u>
Total Current Trade and Other Receivables	<u><u>49,368</u></u>	<u><u>69,336</u></u>
Included within trade and other receivables:		
<i>Receivable from other reporting units</i>		
National Secretariat	8,050	-
Pharmacy Guild of Australia (QLD Branch)	-	1,667
GP Payroll Pty Ltd	2,000	2,000
Receivables from other reporting units (net)	<u><u>10,050</u></u>	<u><u>3,667</u></u>
NOTE 8 - OTHER CURRENT ASSETS		
CURRENT		
Prepayments	24,981	27,885
	<u><u>24,981</u></u>	<u><u>27,885</u></u>

NOTES TO AND FORMING PART OF THE ACCOUNTS
 FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
NOTE 9 - PROPERTY, PLANT AND EQUIPMENT		
NON-CURRENT		
<i>Plant and Equipment</i>		
Office equipment and furniture - at cost	141,634	142,383
Less accumulated depreciation	<u>(100,418)</u>	<u>(97,598)</u>
	41,216	44,785
Work in progress	53,300	-
Total Property, Plant and Equipment	<u>94,516</u>	<u>44,785</u>

(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:

	Work in Progress	Plant & Equipment	Total
	\$	\$	\$
2019			
Balance at the beginning of the year	-	44,785	44,785
Additions	53,300	2,730	56,030
Disposals	-	(217)	(217)
Depreciation expense	-	(6,082)	(6,082)
Carrying amount the end of year	<u>53,300</u>	<u>41,216</u>	<u>94,516</u>

	Work in Progress	Plant & Equipment	Total
	\$	\$	\$
2018			
Balance at the beginning of the year	-	49,195	49,195
Additions	-	3,300	3,300
Disposals	-	-	-
Depreciation expense	-	(7,710)	(7,710)
Carrying amount the end of year	<u>-</u>	<u>44,785</u>	<u>44,785</u>

NOTE 10 - TRADE AND OTHER PAYABLES

CURRENT

Trade creditors and accruals	94,159	92,257
GST payable	<u>7,566</u>	<u>7,836</u>
	101,725	100,093
Included within trade and other payables:		
<i>Payable to other reporting units</i>		
National Secretariat	<u>4,000</u>	<u>-</u>
	4,000	-

NOTE 11 - INCOME IN ADVANCE

Membership subscriptions received in advance	188,485	151,250
Grants received in advance	10,000	-
Other income received in advance	<u>18,633</u>	<u>3,636</u>
	217,118	154,886

NOTES TO AND FORMING PART OF THE ACCOUNTS
 FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
NOTE 12 - EMPLOYEE PROVISIONS		
EMPLOYEES OTHER THAN OFFICE HOLDERS		
<i>Short-term provisions</i>		
Annual leave	153,764	144,273
Long service leave	165,694	161,908
Separations and redundancy	-	-
Other employee provisions	-	-
Employee provisions - other than office holders	<u>319,458</u>	<u>306,181</u>
<i>Long-term provisions</i>		
Long service leave	8,959	6,228
	<u>8,959</u>	<u>6,228</u>
OFFICE HOLDERS		
Annual leave	-	-
Long service leave	-	-
Other employee provisions	-	-
Employee provisions - office holders	<u>-</u>	<u>-</u>
Total employee provisions	<u>328,417</u>	<u>312,409</u>
Current	319,458	306,181
Non Current	8,959	6,228
Total Employee Provisions	<u>328,417</u>	<u>312,409</u>

NOTE 13 - CAPITAL AND LEASING COMMITMENTS

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

- Within one year	47,053	47,054
- Later than one year but less than three years	42,454	84,574
Total	<u>89,507</u>	<u>131,628</u>

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

- Within one year	130,516	127,497
- Later than one year but less than three years	-	130,516
Total	<u>130,516</u>	<u>258,013</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.

NOTE 14 - RELATED PARTY DISCLOSURES (CONT)

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

- N Panayiaris (Branch President - National Councillor)
- P Simmons (Vice President- Finance)
- A Doan (National Councillor)
- T Goss (Vice President)
- M Ajdukovic
- M Apolloni (Vice President)
- R Wynne
- A Phillips
- F Heidari
- I Todd

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

NOTES TO AND FORMING PART OF THE ACCOUNTS
 FOR THE YEAR ENDED 30 JUNE 2019

NOTE 14 - RELATED PARTY DISCLOSURES (CONT)

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

Committee Members' remuneration		
- Gross remuneration	97,374	99,051
Total remuneration	<u>97,374</u>	<u>99,051</u>
Gross Remuneration - employees including Branch Director (other than holders of office)	<u>1,109,258</u>	<u>1,042,371</u>
The aggregate amount of employee benefits payable to the Branch Director	<u>21,987</u>	<u>4,154</u>

d) The aggregate amount paid during the year to a superannuation fund by The Pharmacy Guild of Australia (SA Branch) in connection with the resignation of any Branch Committee Member or Branch Director and not included as remuneration as above was nil (2018: Nil).

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

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

	2019	2018
	\$	\$
Guild Insurance Ltd	-	-
Gold Cross Products and Services	-	-

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	-	26,183
Gold Cross Products and Services	-	7,304

h) The aggregate of membership expenses paid to the ultimate controlling entity **284,843** 294,373

The aggregate of membership expenses payable to the ultimate controlling entity **2,290** 3,070

i) Amount receivable/(payable) to related parties:
 - Pharmacy Guild Australia (4,000) (3,656)

Amounts payable to the Pharmacy Guild Australia comprise of \$2,519 for membership fees and \$1,481 for expense reimbursements. Both of these amounts payable were paid to the Pharmacy Guild Australia on 31 July 2019.

NOTE 15 - KEY MANAGEMENT PERSONNEL REMUNERATION

Short-term employee benefits		
Salary (including annual leave taken)	136,363	120,891
Annual leave	19,647	4,154
Total short-term employee benefits	<u>156,010</u>	<u>125,045</u>
Post-employment benefits:		
Superannuation	<u>12,825</u>	<u>11,400</u>
Total post-employment benefits	<u>12,825</u>	<u>11,400</u>
Other long-term benefits:		
Long service leave	<u>2,340</u>	-
Total other long-term benefits	<u>2,340</u>	-
Termination benefits	-	-
Total	<u>171,175</u>	<u>136,445</u>

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 16 - CASH FLOW INFORMATION

	2019	2018
a) Reconciliation of cash:		
Cash on hand	200	200
Cash at bank	<u>2,336,114</u>	<u>2,304,643</u>
	<u>2,336,314</u>	<u>2,304,843</u>
b) Reconciliation of profit from operations to net cash provided by operating activities:		
Profit/(loss) from operations	(21,542)	97,660
Non-cash flows in profit from operations:		
Depreciation - property, plant and equipment	6,082	7,710
Profit/(loss) on disposal of fixed assets	216	-
Changes in assets and liabilities:		
(Increase)/decrease in receivables	19,968	29,979
(Increase)/decrease in prepayments	2,904	(677)
Increase/(decrease) in payables/uneared income	63,864	(130,287)
Increase/(decrease) in provisions	<u>16,008</u>	<u>7,872</u>
Net cash provided by operating activities	<u>87,500</u>	<u>12,237</u>
(c) Cash flows from		
Guild Insurance Ltd	-	28,801
Gold Cross Products and Services	-	8,035
Pharmacy Guild of Australia National Secretariat	432,477	427,543
Pharmacy Guild of Australia ACT	139	-
Pharmacy Guild of Australia NT	139	-
Pharmacy Guild of Australia NSW	274	1,028
Pharmacy Guild of Australia QLD	6,702	1,223
Pharmacy Guild of Australia VIC	139	-
Pharmacy Guild of Australia TAS	139	-
Pharmacy Guild of Australia WA	139	-
GP Payroll Pty Ltd	<u>38,690</u>	<u>45,273</u>
	<u>478,838</u>	<u>511,903</u>
(d) Cash flows to		
Pharmacy Guild of Australia National Secretariat	338,395	357,051
Pharmacy Guild of Australia NSW	-	-
Pharmacy Guild of Australia TAS	-	1,212
Pharmacy Guild of Australia VIC	-	-
Pharmacy Guild of Australia NT	-	-
Pharmacy Guild of Australia ACT	-	-
Pharmacy Guild of Australia QLD	6,830	5,950
Pharmacy Guild of Australia WA	6,412	-
GP Payroll Pty Ltd	<u>-</u>	<u>-</u>
	<u>351,637</u>	<u>364,213</u>

NOTE 17 - REMUNERATION OF AUDITORS

Financial statement audit services	11,000	13,750
Other services	-	1,455
Total remuneration of auditors	<u>11,000</u>	<u>15,205</u>

Other services provided relate to accounting services.

NOTE 18 - FINANCIAL RISK MANAGEMENT

Management controls the capital of the Branch 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 Branch's capital consists of financial liabilities, supported by financial assets.

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 18 - FINANCIAL RISK MANAGEMENT (CONT)

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 Branch's activities expose it primarily to the financial risks in credit, liquidity and market risk.

The Branch does not enter into or trade financial instruments, including derivative financial instruments.

The Branch's financial instruments consist mainly of deposits with banks, short term investments, and receivables and payables. The carrying amounts for each category of financial instruments, measured in accordance with AASB 9: Financial Instruments, are as follows:

	Note	2019 \$	2018 \$
Financial Assets			
Financial assets at fair value through profit or loss		-	-
Financial assets at amortised cost:			
- cash and cash equivalents	6	2,336,314	2,304,843
- accounts receivable and other debtors	7	34,836	56,022
Total financial assets		<u>2,371,150</u>	<u>2,360,865</u>
Carrying amount of financial assets			
Financial Liabilities			
- accounts payable and other payables	10	101,725	100,093
Total financial liabilities		<u>101,725</u>	<u>100,093</u>

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.

	Gross Amount \$	Past due and impaired \$	Past due but not impaired (days overdue)				Within initial trade terms \$
			<30 \$	31-60 \$	61-90 \$	>90 \$	
2019							
Trade and term receivables	27,365	800	12,341	5,674	3,955	5,395	12,341
Other receivables	18,729	-	18,729	-	-	-	18,729
Total	<u>46,094</u>	<u>800</u>	<u>31,070</u>	<u>5,674</u>	<u>3,955</u>	<u>5,395</u>	<u>31,070</u>
2018							
Trade and term receivables	37,293	800	14,838	4,483	1,645	16,329	14,838
Other receivables	18,729	-	18,729	-	-	-	18,729
Total	<u>56,022</u>	<u>800</u>	<u>33,567</u>	<u>4,483</u>	<u>1,645</u>	<u>16,329</u>	<u>33,567</u>

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

NOTES TO AND FORMING PART OF THE ACCOUNTS
 FOR THE YEAR ENDED 30 JUNE 2019

NOTE 18 - FINANCIAL RISK MANAGEMENT (CONT)

LIQUIDITY RISK

Liquidity risk arises from the possibility that the Branch might encounter difficulty settling its debts or otherwise meeting its obligations related to financial liabilities. The entity manages liquidity risk by monitoring cash flows, only investing surplus cash with major financial institutions and comparing the maturity profile of financial liabilities with realisation of financial assets.

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
	\$	\$	\$	\$	\$	\$	\$	\$
Financial liabilities due for payment:								
Accounts payable and other payables	101,725	100,093	-	-	-	-	101,725	100,093
Total expected outflows	101,725	100,093	-	-	-	-	101,725	100,093
Financial assets - cash flows realisable:								
Cash on hand	2,336,314	2,304,843	-	-	-	-	2,336,314	2,304,843
Accounts receivable and other debtors	34,836	56,022	-	-	-	-	34,836	56,022
Total anticipated inflows	2,371,150	2,360,865	-	-	-	-	2,371,150	2,360,865
Net (outflow) / inflow on financial instruments	2,269,425	2,260,772	-	-	-	-	2,269,425	2,260,772

MARKET RISK

Exposure to interest rate risk arises on financial assets and liabilities recognised at reporting date whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The entity has no long term financial liabilities upon which it pays interest. Cash is held in an interest yielding cheque account and on short term call deposit where the interest rate is both fixed and variable according to the financial asset.

SENSITIVITY ANALYSIS

The entity has performed a sensitivity analysis relating to its exposure to interest rate risk at reporting date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks. It should be noted that the entity does not have borrowings and any impacts would be in relation to deposit yields on cash investments.

Year ended 30 June 2019

	Risk variable	Change in risk variable	Effect on Profit or Loss	Equity
		%	\$	\$
Interest rate risk	Cash deposits	1% increase	23,363	23,363
Interest rate risk	Cash deposits	1% decrease	(23,363)	(23,363)

Year ended 30 June 2018

	Risk variable	Change in risk variable	Effect on Profit or Loss	Equity
		%	\$	\$
Interest rate risk	Cash deposits	1% increase	23,048	23,048
Interest rate risk	Cash deposits	1% decrease	(23,048)	(23,048)

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)
ABN 38 946 547 960

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2019

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. During 2019, the Branch received legal advice in relation to a contract for the Preceda project.

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 Commissioner, 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).

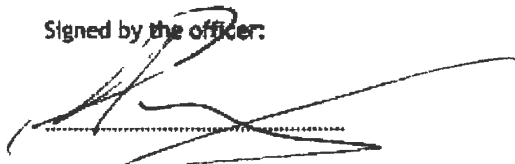
OFFICER DECLARATION STATEMENT

I, *Nick Panayiotis*, being the *Branch President* of the Pharmacy Guild of Australia (SA Branch), declare that the following activities did not occur during the reporting period ended 30 June 2019:

The reporting unit did not:

- (a) agree to receive financial support from another reporting unit to continue as a going concern;
- (b) agree to provide financial support to another reporting unit to ensure they continue as a going concern;
- (c) acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- (d) receive revenue via compulsory levies;
- (e) receive any other financial support from another reporting unit of the organisation;
- (f) incur fees as consideration for employers making payroll deductions of membership subscriptions;
- (g) pay fees or periodic subscriptions in respect of its affiliation to any political party, any federation, congress, council or group of organisations, or any international body having an interest in industrial matters;
- (h) pay compulsory levies;
- (i) pay a grant that was \$1,000 or less;
- (j) pay a grant that exceeded \$1,000;
- (k) pay to a person fees or allowances to attend conferences or meetings as a representative of the reporting unit;
- (l) pay legal costs relating to litigation;
- (m) pay a penalty imposed under the RO Act or the Fair Work Act 2009;
- (n) have a payable to an employer for that employer making payroll deductions of membership subscriptions;
- (o) have a payable in respect of legal costs relating to litigation;
- (p) have a payable in respect of legal costs relating to other legal matters;
- (q) have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch;
- (r) have a balance within the general fund;
- (s) have another entity administer the financial affairs of the reporting unit;
- (t) make a payment to a former relating party of the reporting unit.

Signed by the officer:



Signed on 25th September 2019

INDEPENDENT AUDITOR'S 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 2019, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, the Branch Committee Statement and the subsection 255(2A) report.

In our opinion the accompanying financial report of The Pharmacy Guild of Australia (SA Branch), presents fairly, in all material respects the reporting unit's financial position as at 30 June 2019 and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards and any other requirement imposed by these Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the 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.

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

Responsibilities of the Branch Committee for the Financial Report

The Branch Committee of the reporting unit are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Fair Work (Registered Organisations) Act 2009*, and for such internal control as the Branch Committee determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Branch Committee are responsible for assessing the registered entity'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 responsible entities either intends to liquidate the registered entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

- 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 my 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 my 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 are identified during our audit.

This description forms part of our auditor's report.



Declaration by the auditor

I, Paul Gosnold, declare that I am an approved auditor, a member of the Chartered Accountants Australia New Zealand and hold a current Public Practice Certificate.

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

BDO Audit (SA) Pty Ltd

A handwritten signature in blue ink that reads 'Paul Gosnold'.

Paul Gosnold

Director

Adelaide, 25 September 2019

Registration number (as registered by the RO Commissioner under the Act): AA2017/182