



FAIR WORK  
COMMISSION

16 October 2015

Mr Gregory Luckman  
Branch Director, Tasmanian Branch  
Pharmacy Guild of Australia

Sent via email: [tas.admin@guild.org.au](mailto:tas.admin@guild.org.au)

Dear Mr Luckman

**Re: Lodgement of Financial Statements and Accounts – Pharmacy Guild of Australia, Tasmanian Branch - for year ended 30 June 2015 (FR2015/103)**

I refer to the financial report for the Tasmanian Branch of the Pharmacy Guild of Australia. The report was lodged with the Fair Work Commission on 15 September 2015.

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

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

You are not required to take any further action in respect of the report lodged. I make the following comments however to be complied with when preparing next year's report.

Disclosure of grants or donations

Reporting Guideline 16(e) requires that where grants or donations have been paid,<sup>1</sup> the total amounts<sup>2</sup> paid are to be disclosed as follows:

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

The donations expenses were disclosed but not in the form required by the above Required Guideline. In addition, the total amount for donations disclosed in the financial report, when

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<sup>1</sup> Where, for example, no grants at all were paid, a nil balance or statement that none were paid is required by RG17. This was complied with.

<sup>2</sup> RG16(e) does not require individual itemisation of donations or grants exceeding \$1,000 in the general purpose financial report itself, simply the *total* amounts for each sub-category. Grants and donations exceeding \$1,000 only have to be individually itemised in the statement of loans, grants and donations under section 237. The *total* amounts disclosed in the financial report for grants and for donations exceeding \$1,000 should reconcile, respectively, with the *totals* of any grants and donations appearing in the statement of loans, grants and donations under section 237. The amounts disclosed in the financial report for each of grants and donations \$1,000 or less should, when added to the amounts for the grants and donations exceeding \$1,000 equal the total amounts paid in grants and donations.

calculated, did not reconcile with the statement of donations lodged pursuant to section 237. I had the opportunity of clarifying these requirements with Mr Chris Gamble, from the Branch, and an amended statement under section 237 was subsequently lodged.

### Reporting Requirements

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

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (02) 6746 3283 or 0429 462 979 or by email at [stephen.kellett@fwc.gov.au](mailto:stephen.kellett@fwc.gov.au)

Yours sincerely

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

Stephen Kellett  
Senior Adviser  
Regulatory Compliance Branch

cc. Mr Chris Gamble, Finance Officer

**Designated Officer's Certificate or other Authorised Officer**

*S268 Fair Work (Registered Organisations) Act 2009*

I, John Dowling, being the Branch President of The Pharmacy Guild of Australia (Tasmanian Branch) certify:

- that the documents lodged herewith are copies of the full report, referred to in s268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members on 19 August 2015; and
- that the full report as presented to a general meeting of members of the reporting unit on 10 September 2015 in accordance with section 266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature:



Date:

10/9/15.



# The Pharmacy Guild of Australia (Tasmanian Branch)

Financial Report

For the Year Ended 30 June 2015

# The Pharmacy Guild of Australia (Tasmanian Branch)

For the Year Ended 30 June 2015

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# The Pharmacy Guild of Australia (Tasmanian Branch)

## Operating Report

30 June 2015

I, Jeremy Hampton, being the designated officer responsible for preparing this financial report for the financial year ended 30 June 2015 of The Pharmacy Guild of Australia (Tasmanian Branch), report as follows:

### 1. General information

#### Principal Activities

- i) The Pharmacy Guild of Australia (Tasmanian Branch) ("the Branch") is an employers' organisation servicing the needs of proprietors of independent community pharmacies and to represent their interests in industrial matters.
- ii) The Guild functions as a single entity and acts under its Constitution and Rules and reports under the Fair Work (Registered Organisations) Act 2009.
- iii) The development of Guild policy is the responsibility of the Guild's supreme governing body, the National Council, on which all State and Territory Branches are represented.
- iv) The implementation of this policy is overseen by the National Executive through the National Secretariat.
- v) Within the framework of National Guild policy, development and implementation of the activities and operations of the Tasmanian Branch is set by the members of the Tasmanian Branch Committee.
- vi) These activities are referred to the various Tasmanian Branch Divisions who deliver the activities and services that address the various objectives and targets set for them.

#### Significant Changes

There were no significant changes in principal activities during the financial year.

#### Committee Members

The members of the Tasmanian Branch Committee throughout the year and at the date of this report were:

John Dowling	Tasmanian Branch President
Jeremy Hampton (Life Member)	Tasmanian Senior Vice President
Glenn Ward	Tasmanian Branch Vice President Finance and National Councillor (from September 2014)
Joe O'Malley	Tasmanian Branch Vice President and Alternate National Councillor
Harvey Cuthill OAM (Life Member)	Tasmanian Branch Committee Member and National Councillor (until September 2014)
Martin Quinn	Tasmanian Branch Committee Member and Alternate National Councillor
Martin Eade	Tasmanian Branch Committee Member
Belinda Bird	Tasmanian Branch Committee Member
Christine Timms	Tasmanian Branch Committee Member (elected September 2014)
Matthew Pilkington	Tasmanian Branch Committee Member (elected December 2014)
Sam Garnham	Tasmanian Branch Committee Member (retired September 2014)

# The Pharmacy Guild of Australia (Tasmanian Branch)

## Operating Report

30 June 2015

### 1. General information continued

#### Committee Members continued

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

#### Number of Employees

As at 30 June 2015, The Pharmacy Guild of Australia (Tasmanian Branch) maintains employment of 7 employees in total (2014:7).

#### Superannuation Trustees

No officer or employee of the reporting unit holds a position as a trustee or director of a superannuation entity or exempt public superannuation fund scheme, where the criteria for holding such a position is that they are an officer or member of the reporting unit.

#### Number of Members & Right to Resign

As at 30 June 2015, The Pharmacy Guild of Australia (Tasmanian Branch), has 230 members (2014: 198) across its three categories, being Proprietors, Associate and Honorary Life Members.

In accordance with Rule 10 of the Federal Rules of the Pharmacy Guild of Australia a member may resign from membership by written notice addressed and delivered to the Branch Secretary in which he or she is a member.

### 2. Members Advice

- i) Under Section 174 of *Fair Work (Registered Organisations) Act 2009*, a member may resign from membership with written notice addressed and delivered to the Branch Director; and
- ii) The register of members of the reporting unit was maintained in accordance with the *Fair Work (Registered Organisations) Act 2009*.

### 3. Operating Results and Review of Operations for the Year

#### Operating result

The surplus/(deficit) from ordinary activities for the year amounted to \$ NIL (2014 \$NIL). There have been no significant changes in the nature of ordinary activities during the 2015 financial year.

Signed in accordance with a resolution of the Members of the Branch Committee:

Acting Branch President:  .....

Jeremy Hampton

Dated this 17 day of August 2015.

# The Pharmacy Guild of Australia (Tasmanian Branch)

## Statement by the Branch Committee

On 17 August 2015, the Branch Committee of the Pharmacy Guild of Australia Tasmanian Branch passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 30 June 2015.

The Branch Committee declares in relation to the GPFR that in its opinion:

1. The financial statements and notes comply with the Australian Accounting Standards;
2. The financial statements and notes comply with the reporting guidelines of the General Manager;
3. 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;
4. 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;
5. During the financial year to which these GPFR relate and since the end of that year:
  - i) meetings of the Branch Committee were held in accordance with the rules of the organisation including the rules of the organisation including the rules of the Guild 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 the Guild concerned; and
  - iii) the financial records of the reporting unit have been kept and maintained in accordance with *Fair Work (Registered Organisations) Act 2009* and the *Fair Work (Registered Organisations) Regulations 2009*; 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 to 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 the General Manager, duly made under section 272 of the *Fair Work (Registered Organisations) Act 2009* has been provided to the member or General Manager; and
  - vi) no orders have been made by the Fair Work Commission under section 273 of the *Fair Work (Registered Organisations) Act 2009* during the period.
6. There was no recovery of wages activity for the financial year.

Signed in accordance with a resolution of the Members of the Branch Committee:



Jeremy Hampton  
Acting Branch President



Glenn Ward  
Branch Treasurer

Dated this 17 day of August 2015.



# The Pharmacy Guild of Australia (Tasmanian Branch)

## Statement of Comprehensive Income

For the Year Ended 30 June 2015

	Note	2015 \$	2014 \$
<b>Income</b>			
Associate member subscriptions		1,332	180
Capitation fees		-	-
Commission - Rollex Fridges		1,587	1,260
Commissions - APP		4,338	4,338
Commissions - Chemist Own		-	1,661
Commissions - Gold Cross		10,772	14,389
Commissions - Guild Insurance		55,515	71,157
Donations		-	-
Grant - National Secretariat		294,037	247,560
Interest income		6,213	6,864
Levies		-	-
Member services trading account income		180	80
Member subscriptions		305,600	302,134
Other income		48,273	10,054
Program income		348,681	350,481
Room hire		7,559	7,358
<b>Total income</b>		<b>1,084,087</b>	<b>1,017,516</b>
<b>Less: Expenses</b>			
Accounting & audit fees		8,840	7,559
Affiliations & donations	2	14,164	1,591
Annual leave expense - employees		5,782	(7,815)
Annual leave expense - officials		-	-
Award presentations & gifts		-	1,133
Bank charges		1,241	1,801
Car parking expenses		8,673	8,350
Cleaning		3,216	3,225
Committee meeting expenses		6,393	5,145
Computer expenses		14,391	12,040
Consideration to employers for payroll deductions		-	-
Depreciation expense		11,453	14,411
Donations		7,718	-
Employment Assistance Program		370	361
Fees/allowances - meeting and conferences		-	-
Fringe Benefits Tax		4,776	4,426
Functions		234	331
Furniture & fittings		359	-
Grants		-	-
Influenza vaccinations		250	340
Insurance		16,760	12,259
Levies - compulsory		-	-

The accompanying notes form part of these financial statements.

# The Pharmacy Guild of Australia (Tasmanian Branch)

## Statement of Comprehensive Income

For the Year Ended 30 June 2015

	Note	2015 \$	2014 \$
Legal fees		-	-
Light & power		4,947	4,639
Long service leave - employees		10,727	5,991
Long service leave - officials		-	-
Meetings & dinners		5,300	6,208
National Council dues	2	177,615	176,030
Office expenses		2,068	1,976
Payroll Tax		32,554	34,049
Penalties - via RO Act or RO Regulations		-	-
Portfolio expenses & committee members		327	2,041
Postage		4,960	4,117
President's expenses		7,677	10,897
Printing and stationery		12,843	9,887
Recruitment expenses		300	-
Rent expense		75,244	73,333
Repairs and maintenance		1,109	817
Rental properties - selling expenses		127	-
Security costs		439	455
Staff training		14,714	2,097
Student capitation fees		1,086	2,550
Subscriptions		3,099	2,443
Sundry expenses		2,966	200
Superannuation - employees		42,790	48,120
Superannuation - officers		1,919	1,609
Telephone		10,410	10,687
Training programs expenses		14,388	16,115
Travel and accommodation		43,795	34,735
Utilities		1,252	1,198
Wages & salaries - employees		478,730	473,774
Wages & salaries - officers		28,081	28,391
<b>Total Expenses</b>		<u>1,084,087</u>	<u>1,017,516</u>
<b>Net surplus/(deficit) for the year</b>		<u>-</u>	<u>-</u>
<b>Other comprehensive income</b>		<u>-</u>	<u>-</u>
<b>Total comprehensive income for the year</b>		<u><u>-</u></u>	<u><u>-</u></u>

The accompanying notes form part of these financial statements.

# The Pharmacy Guild of Australia (Tasmanian Branch)

## Statement of Financial Position

As At 30 June 2015

	Note	2015 \$	2014 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	194,553	358,716
Trade and other receivables	4	184,587	96,072
Inventories		32	158
Prepayments		15,809	20,428
<b>TOTAL CURRENT ASSETS</b>		<b>394,981</b>	<b>475,374</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	22,261	23,083
<b>TOTAL NON-CURRENT ASSETS</b>		<b>22,261</b>	<b>23,083</b>
<b>TOTAL ASSETS</b>		<b>417,242</b>	<b>498,457</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	6	100,707	73,424
Short-term provisions	7	55,781	46,374
Other liabilities	8	74,661	199,668
<b>TOTAL CURRENT LIABILITIES</b>		<b>231,149</b>	<b>319,466</b>
<b>NON-CURRENT LIABILITIES</b>			
Long-term provisions	7	7,102	-
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>7,102</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>238,251</b>	<b>319,466</b>
<b>NET ASSETS</b>		<b>178,991</b>	<b>178,991</b>
<b>EQUITY</b>			
Reserves		5,521	5,521
Retained surpluses		173,470	173,470
<b>TOTAL EQUITY</b>		<b>178,991</b>	<b>178,991</b>

The accompanying notes form part of these financial statements.

# The Pharmacy Guild of Australia (Tasmanian Branch)

## Statement of Changes in Equity

For the Year Ended 30 June 2015

2015

	Retained Supluses	Judy Liauw Reserve	Future Legal Disputes Reserve	Total
	\$	\$	\$	\$
Balance at 1 July 2014	173,470	20	5,501	178,991
Net surplus/(deficit) for the year	-	-	-	-
Balance at 30 June 2015	173,470	20	5,501	178,991

2014

	Retained Supluses	Judy Liauw Reserve	Future Legal Disputes Reserve	Total
	\$	\$	\$	\$
Balance at 1 July 2013	173,470	20	5,501	178,991
Net surplus/(deficit) for the year	-	-	-	-
Balance at 30 June 2014	173,470	20	5,501	178,991

The accompanying notes form part of these financial statements.

# The Pharmacy Guild of Australia (Tasmanian Branch)

## Statement of Cash Flows

For the Year Ended 30 June 2015

	Note	2015 \$	2014 \$
<b>CASH FROM OPERATING ACTIVITIES:</b>			
Receipts from members and customers		841,192	919,831
Receipts from other reporting units	9(c)	237,030	301,176
Interest received		6,071	6,712
Payments to suppliers, employees & holders of office		(996,377)	(830,261)
Payments to other reporting units	9(c)	(241,448)	(256,538)
Net cash provided by/(used in) operating activities	9(b)	<u>(153,532)</u>	<u>140,920</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Purchase of plant & equipment		<u>(10,631)</u>	<u>(6,795)</u>
Net cash provided by/(used in) investing activities		<u>(10,631)</u>	<u>(6,795)</u>
Net cash increase/(decrease) in cash held		(164,163)	134,125
Cash held at the beginning of the financial year		<u>358,716</u>	<u>224,591</u>
Cash held at the end of the financial year	9(a)	<u><u>194,553</u></u>	<u><u>358,716</u></u>

The accompanying notes form part of these financial statements.

# The Pharmacy Guild of Australia (Tasmanian Branch)

## Notes to the Financial Statements

For the Year Ended 30 June 2015

The financial statements are for The Pharmacy Guild of Australia (Tasmanian Branch) as an individual entity, incorporated and domiciled in Australia. The Pharmacy Guild of Australia (Tasmanian Branch) is a not-for-profit registered employer organisation under the *Fair Work (Registered Organisation) Act 2009*.

The functional and presentation currency of The Pharmacy Guild of Australia (Tasmanian Branch) is Australian dollars.

### 1 Summary of Significant Accounting Policies

#### (a) Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Fair Work (Registered Organisation) Act 2009*. The Branch is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

#### (b) Comparative Figures

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

#### (c) Cash and Cash Equivalents

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

#### (d) Property, Plant and Equipment

Property, plant and equipment are carried at cost or fair value as indicated, less, where applicable, any accumulated depreciation and impairment losses.

##### Depreciation

The depreciable amount of all property, plant and equipment, except for freehold land is depreciated on a straight-line method from the date that management determine that the asset is available for use.

Assets held under a finance lease and leasehold improvements are depreciated over the shorter of the term of the lease and the assets useful life.

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

# The Pharmacy Guild of Australia (Tasmanian Branch)

## Notes to the Financial Statements

For the Year Ended 30 June 2015

### 1 Summary of Significant Accounting Policies continued

#### (d) Property, Plant and Equipment continued

Fixed asset class	Depreciation rate
Plant and Equipment	2 - 33%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

When an assets is disposed, the gain or loss is calculated by comparing proceeds received with its carrying amount and is taken to surplus or deficit.

#### (e) Impairment of Assets

At the end of each reporting period, the Branch reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

#### (f) Trade and other payables

Trade and other payables are stated at cost, which approximates fair value due to the short term nature of these liabilities.

#### (g) Employee Benefits

Provision is made for the Branch's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with benefits arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at their nominal amount. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Contributions are made by the Branch to an employee superannuation fund and are charged as expenses when incurred.

#### (h) Financial Instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Branch becomes party to the contractual provisions of the instrument. For financial assets, this is the equivalent to the date that the Branch commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

# The Pharmacy Guild of Australia (Tasmanian Branch)

## Notes to the Financial Statements

For the Year Ended 30 June 2015

### 1 Summary of Significant Accounting Policies continued

#### (h) Financial Instruments continued

##### *Financial Assets*

Financial assets are divided into the following categories which are described in detail below:

- loans and receivables;
- financial assets at fair value through profit or loss;
- available-for-sale financial assets; and
- held-to-maturity investments.

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

##### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The Branch's trade and most other receivables fall into this category of financial instruments.

Significant receivables are considered for impairment on an individual asset basis when they are past due at the reporting date or when objective evidence is received that a specific counterparty will default.

The amount of the impairment is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

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

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity. Investments are classified as held-to-maturity if it is the intention of the Branch's management to hold them until maturity.

Held-to-maturity investments are subsequently measured at amortised cost using the effective interest method, with revenue recognised on an effective yield basis. In addition, if there is objective evidence that the investment has been impaired, the financial asset is measured at the present value of estimated cash flows. Any changes to the carrying amount of the investment are recognised in profit or loss.



# The Pharmacy Guild of Australia (Tasmanian Branch)

## Notes to the Financial Statements

For the Year Ended 30 June 2015

### 1 Summary of Significant Accounting Policies continued

#### (h) Financial Instruments continued

##### *Financial liabilities*

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired. Although the Branch uses derivative financial instruments in economic hedges of currency and interest rate risk, it does not hedge account for these transactions.

The Branch's financial liabilities include borrowings, trade and other payables (including finance lease liabilities), which are measured at amortised cost using the effective interest rate method.

##### *Impairment of financial assets*

At the end of the reporting period the Branch assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

##### *Financial assets at amortised cost*

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the 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 financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

##### *Available-for-sale financial assets*

A significant or prolonged decline in value of an available-for-sale asset below its cost is objective evidence of impairment, in this case, the cumulative loss that has been recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Any subsequent increase in the value of the asset is taken directly to other comprehensive income.

#### (i) Critical Accounting Estimates and Judgments

The Branch Committee evaluate estimates and judgments incorporated into the financial statements 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.

# The Pharmacy Guild of Australia (Tasmanian Branch)

## Notes to the Financial Statements

For the Year Ended 30 June 2015

### 1 Summary of Significant Accounting Policies continued

#### (i) Critical Accounting Estimates and Judgments continued

##### *Key estimates - Impairment*

The Branch Committee assesses impairment at each reporting date by evaluating conditions specific to the Branch that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. No impairment has been recognised for the year ended 30 June 2015.

##### *Key judgements - Employee benefits*

For the purpose of measurement, AASB 119: Employee Benefits defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the reporting period in which the employees render the related services. The Branch expects most employees will not take their annual leave entitlements within this 12 month period in which they were earned, but this will not have a material impact on the amounts recognised in respect of obligations for employees' leave entitlements.

#### (j) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to the Branch are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight line basis over the life of the lease term.

#### (k) Revenue

Interest revenue is recognised over the period for which the funds are invested.

Revenue from the provision of services is recognised when the right to be compensated for the service has been attained.

Rental income is recognised over the the period to which the rent relates.

Revenue received in the form of capital grant funds is recognised as income when received, while the expenditure relating to the capital funds has been capitalised in the Statement of Financial Position for the purpose for which the funds were received.

All revenue is stated net of the amount of goods and services tax (GST).

# The Pharmacy Guild of Australia (Tasmanian Branch)

## Notes to the Financial Statements

For the Year Ended 30 June 2015

### 1 Summary of Significant Accounting Policies continued

#### (l) 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 Tax 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 the 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 net basis, and the net movement in GST for the period shown as a separate operating cash flow. The GST components of investing and financing activities are disclosed as operating cash flows.

#### (m) Income Tax

No provision for income tax has been raised as the Branch is exempt from income tax under Section 50-15 of the *Income Tax Assessment Act 1997*.

#### (n) New accounting standards for application in future periods

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Branch has decided against early adoption of these Standards. The following table summarises those future requirements, and their impact on the Branch:

Standard Name	Effective Date for entity	Requirements	Impact
AASB 9 Financial Instruments	Annual reporting periods beginning on or after 1 January 2018	Significant revisions to the classification and measurement of financial assets, reducing the number of categories and simplifying the measurement choices, including the removal of impairment testing of assets measured at fair value. The amortised cost model is available for debt assets meeting both business model and cash flow characteristics tests. All investments in equity instruments using IFRS 9 are to be measured at fair value.	Although the adoption of AASB 9 may have an impact, it is impracticable at this stage to provide reasonable estimate of such impact.

# The Pharmacy Guild of Australia (Tasmanian Branch)

## Notes to the Financial Statements

For the Year Ended 30 June 2015

### 1 Summary of Significant Accounting Policies continued

#### (o) Notes to be provided to Members or the General Manager of the Fair Work Commission

- i) A member of a reporting unit, or the General Manager of the Fair Work Commission, 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.
- ii) 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.
- iii) A reporting unit must comply with an application made under subsection (1).

#### (p) Economic Dependence

The Pharmacy Guild of Australia (Tasmania Branch) is reliant on the agreed financial support of The Pharmacy Guild of Australia to continue on a going concern basis. This agreed financial support to continue on an indefinite basis with support to cover the Tasmanian Branches deficit received annually.

The Pharmacy Guild of Australia has agreed to provide The Pharmacy Guild of Australia (Tasmania Branch) with financial support to ensure they can continue on a going concern basis. This agreed financial support is to continue indefinitely and is an interest free agreement with no repayments to be made.

#### (q) Transaction Occurrence

Any transactions required to be specifically disclosed under the *Fair Work (Registered Organisations) Act 2009* that have not been disclosed in this financial report have not occurred during the financial year.

### 2 Affiliations & Donations Expense

	2015	2014
	\$	\$
Liberal Party Tas Branch	10,655	1,364
ALP Tas Branch	909	-
Tasmanian Association of Pharmacy Students	2,600	-
National Council Dues	177,615	176,030
Other	-	227
	<u>191,779</u>	<u>177,621</u>

# The Pharmacy Guild of Australia (Tasmanian Branch)

## Notes to the Financial Statements

For the Year Ended 30 June 2015

### 3 Cash and Cash Equivalents

	2015	2014
	\$	\$
Cash on hand	210	205
Cash at bank	208,815	358,551
Other cash and cash equivalents	(14,472)	(40)
	<u>194,553</u>	<u>358,716</u>

### 4 Trade and Other Receivables

	2015	2014
	\$	\$
CURRENT		
Trade receivables	12,396	6,558
Trade receivables (The Pharmacy Guild of Australia National Secretariat)	172,191	81,594
Trade receivables (The Pharmacy Guild of Australia South Australian Branch)	-	2,750
Trade receivables (The Pharmacy Guild of Australia NSW Branch)	-	5,170
	<u>184,587</u>	<u>96,072</u>

#### (a) Ageing analysis

	2015	2014
	\$	\$
Less than 30 days	179,531	87,490
31 days to 60 days	2,960	940
61+ days (past due not impaired)	2,096	7,642
	<u>184,587</u>	<u>96,072</u>

# The Pharmacy Guild of Australia (Tasmanian Branch)

## Notes to the Financial Statements

For the Year Ended 30 June 2015

### 5 Property, Plant and Equipment

	2015	2014
	\$	\$
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	78,472	93,424
Accumulated depreciation	(56,211)	(70,341)
Total plant and equipment	<u>22,261</u>	<u>23,083</u>
Total property, plant and equipment	<u><u>22,261</u></u>	<u><u>23,083</u></u>

#### (a) Movements in Carrying Amounts

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

	Plant and Equipment \$
Balance at the beginning of year	23,083
Additions	10,631
Disposals - written down value	(45)
Depreciation expense	<u>(11,408)</u>
Carrying amount at 30 June 2015	<u><u>22,261</u></u>
Balance at the beginning of year	30,700
Additions	6,669
Depreciation expense	<u>(14,286)</u>
Carrying amount at 30 June 2014	<u><u>23,083</u></u>

### 6 Trade and Other Payables

	2015	2014
	\$	\$
Trade payables	26,821	12,046
Trade payables (The Pharmacy Guild of Australia National Secretariat)	5,564	7,355
Accrued expenses	44,950	35,603
Consideration to employers for payroll deductions	-	-
Legal costs	-	-
GST Payable	<u>23,372</u>	<u>18,420</u>
	<u><u>100,707</u></u>	<u><u>73,424</u></u>

# The Pharmacy Guild of Australia (Tasmanian Branch)

## Notes to the Financial Statements

For the Year Ended 30 June 2015

### 7 Provisions

	2015	2014
	\$	\$
<b>CURRENT</b>		
Annual leave - employees	33,559	27,777
Annual leave - officers	-	-
Long service leave - employees	22,222	18,597
Long service leave - officers	-	-
Separations and redundancies - employees	-	-
Separations and redundancies - officers	-	-
Other - employees	-	-
Other - officers	-	-
	<u>55,781</u>	<u>46,374</u>
<b>NON-CURRENT</b>		
Long service leave - employees	7,102	-
Long service leave - officers	-	-
	<u>7,102</u>	<u>-</u>

### 8 Other Liabilities

	2015	2014
	\$	\$
Accrued income	(20,874)	-
Training liability	-	12,499
Income in advance	95,535	185,091
Unexpended grants	-	2,078
	<u>74,661</u>	<u>199,668</u>

### 9 Cash Flow Information

#### (a) Reconciliation of cash

	2015	2014
	\$	\$
Cash at the end of the financial year as shown in the statement of cash flow is reconciled to items in the statement of financial position as follows:		
Cash and cash equivalents	3 <u>194,553</u>	<u>358,716</u>
	<u>194,553</u>	<u>358,716</u>

# The Pharmacy Guild of Australia (Tasmanian Branch)

## Notes to the Financial Statements

For the Year Ended 30 June 2015

### 9 Cash Flow Information continued

#### (b) Reconciliation of Cash Flow from Operations with Surplus/(Deficit)

	2015	2014
	\$	\$
Surplus/(deficit) for the period	-	-
Non-cash flows in surplus/(deficit)		
- Depreciation	11,453	14,411
Changes in assets and liabilities		
- (Increase)/decrease in trade and term receivables	(88,516)	128,464
- (Increase)/decrease in prepayments	(16,255)	(12,323)
- (Increase)/decrease in inventories	127	190
- Increase/(decrease) in trade payables and accruals	27,283	(4,591)
- Increase/(decrease) in other liabilities	(104,133)	16,320
- Increase/(decrease) in provisions	16,509	(1,551)
Cashflow from operations	<u>(153,532)</u>	<u>140,920</u>

#### (c) Cash Flows with Other Reporting Units

	2015	2014
	\$	\$
<b>Cash Inflows</b>		
The Pharmacy Guild of Australia - National Secretariat	223,984	285,250
The Pharmacy Guild of Australia - NSW Branch	6,867	790
The Pharmacy Guild of Australia - VIC Branch	-	3,756
The Pharmacy Guild of Australia - QLD Branch	902	5,830
The Pharmacy Guild of Australia - SA Branch	5,277	1,750
The Pharmacy Guild of Australia - WA Branch	-	3,800
	<u>237,030</u>	<u>301,176</u>
<b>Cash Outflows</b>		
The Pharmacy Guild of Australia - National Secretariat	238,697	255,386
The Pharmacy Guild of Australia - ACT Branch	-	60
The Pharmacy Guild of Australia - NSW Branch	413	663
The Pharmacy Guild of Australia - VIC Branch	-	110
The Pharmacy Guild of Australia - SA Branch	2,338	319
	<u>241,448</u>	<u>256,538</u>



# The Pharmacy Guild of Australia (Tasmanian Branch)

## Notes to the Financial Statements

For the Year Ended 30 June 2015

### 10 Financial Risk Management

The Branch's financial instruments consist mainly of deposits with banks, accounts receivable and accounts payable.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	2015	2014
	\$	\$
<b>Financial Assets</b>		
- Cash and cash equivalents	194,553	358,716
- Trade and other receivables	184,587	96,072
<b>Total Financial Assets</b>	<u>379,140</u>	<u>454,788</u>
<b>Financial Liabilities</b>		
- Trade and other payables	<u>100,707</u>	<u>73,424</u>
<b>Total Financial Liabilities</b>	<u>100,707</u>	<u>73,424</u>

#### Specific Financial Risk Exposures and Management

The main risks the reporting unit is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk, foreign currency risk and commodity and equity price risk.

##### (a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counter parties of contract obligations that could lead to a financial loss to the reporting unit. The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the Statement of Financial Position and notes to the financial statements.

The Pharmacy Guild of Australia Tasmanian Branch does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the reporting unit.

##### (b) Liquidity risk

Liquidity risk arises from the possibility that the reporting unit might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The reporting unit manages risk through the following mechanisms:

- preparing forward looking cash flow analysis in relation to its operational, investing and financial activities;
- monitoring credit facilities;
- obtaining funding from a variety of sources; and

# The Pharmacy Guild of Australia (Tasmanian Branch)

## Notes to the Financial Statements

For the Year Ended 30 June 2015

### 10 Financial Risk Management continued

#### (b) Liquidity risk continued

- maintaining a reputable credit risk profile.

#### (c) Interest rate risk

The Branch is not exposed to any significant interest rate risk.

#### (d) Foreign exchange risk

The Branch is not exposed to fluctuations in foreign currencies.

#### (e) Price Risk

The Branch is not exposed to any material commodity price risk.

### Sensitivity Analysis

The Branch Committee has performed an assessment of its exposure to interest rate risk, liquidity risk and credit risk at balance date. The Pharmacy Guild of Australia Tasmanian Branch is not currently subject to any interest rate risk on its financial liabilities and has assessed that there is no exposure to liquidity risk required to meet its financial obligations. The Pharmacy Guild of Australia Tasmanian Branch's exposure to credit risk has been assessed as not material, due to the nature, collectability and recoverability of amounts owed.

As a result of the risk assessment performed, any positive or negative changes in the interest rate risk, liquidity risk or credit risk would not have a material effect on the financial statements. Hence quantitative disclosures are not required.

### 11 Key Management Personnel Compensation

	2015	2014
	\$	\$
Short term employee benefits - officials	30,000	30,000
Short term employee benefits - directors	122,796	110,298
Long-term benefits	-	-
Post-employment benefits	-	-
Termination benefits	-	-
Share-based payments	-	-
	<u>152,796</u>	<u>140,298</u>

# The Pharmacy Guild of Australia (Tasmanian Branch)

## Notes to the Financial Statements

For the Year Ended 30 June 2015

### 12 Related Party Transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties, and which in management's opinion is comparable to amounts that would have been paid to non related parties.

Transactions with the National Secretariat and other branches of the Pharmacy Guild of Australia are separately disclosed within notes 4, 6 and 9(c) to the financial statements.

Transactions with related parties:

Name	Pharmacy	Training Services \$	Meeting & Dinner Events \$	Member Services \$	Outstanding at 30 June 2015 \$
John Dowling	Coventry's Pharmacy	1,449	639	-	180
Jeremy Hampton	North Hobart Amcal	626	-	-	-
	Priceline Eastlands	120	-	-	-
	West Hobart Amcal	-	-	-	-
	Warrane Pharmacy	720	-	-	-
Joe O'Malley	Westside Pharmacy	554	-	-	360
Glenn Ward	Amcal Max Moonah	-	185	-	-
Harvey Cuthill	Kings Meadows Capital Chemist	1,833	179	-	-
	South Hobart Capital Chemist	705	-	-	-
	Newstead Capital Chemist	2,086	-	-	-
Martin Quinn	Kings Meadows Capital Chemist	1,833	-	-	-
	South Hobart Capital Chemist	705	-	-	-
Martin Eade	Summerhill Pharmacy	-	-	-	-
	Old Tudor Pharmacy	-	23	-	-
Christine Timms	Prospect Vale Pharmacy	180	-	-	-

# The Pharmacy Guild of Australia (Tasmanian Branch)

## Notes to the Financial Statements

For the Year Ended 30 June 2015

### 12 Related Party Transactions continued

Name	Pharmacy	Training Services \$	Meeting & Dinner Events \$	Member Services \$	Outstanding at 30 June 2015 \$
Matthew Pilkington	Kingborough Medical Centre Pharmacy	280	-	-	-
	Kingston Plaza Drug Store	-	-	-	-
	Priceline Pharmacy Kingston	2,149	-	-	-
	Terry White Chemist Fourways	1,184	-	-	600
Belinda Bird	New Norfolk Pharmacy	90	-	-	-
Sam Garnham	Lindidfarne Village Chemmart	-	-	-	-
	Chemmart Dodges Ferry	225	-	-	-
	Chemmart Sorrel	225	-	-	-

### 13 Auditors' Remuneration

	2015 \$	2014 \$
Remuneration of the auditor, Crowe Horwath Tasmania, of the Branch for:		
- auditing or reviewing the financial report	7,340	7,090

### 14 Going Concern

These financial statements have been prepared on a going concern basis which contemplates the realisation of assets and the payment of liabilities in the ordinary course of business. Should The Tasmanian Branch be unable to continue as a going concern, it may be unable to realise the carrying value of assets and to meet its liabilities as they become due.

The Tasmanian Branch's ability to continue as a going concern is dependent upon its capacity to attain profitable operations and to continue to obtain support from The Pharmacy Guild of Australia National Secretariat sufficient to meet current and future obligations. Also refer to Note 1 (p).

# The Pharmacy Guild of Australia (Tasmanian Branch)

## Notes to the Financial Statements

For the Year Ended 30 June 2015

### 14 Going Concern continued

The following table represents the effect on the Tasmanian Branch's comprehensive result if the National Secretariat Funding had not been received:

	2015	2014
	\$	\$
Total comprehensive income for the year	-	-
Less National Secretariat Funding	(294,037)	(247,560)
<b>Total comprehensive income before National Secretariat Funding</b>	<b>(294,037)</b>	<b>(247,560)</b>

### 15 Events After the End of the Reporting Period

There are no events after the statement of financial position date to be disclosed.

### 16 Capital and Leasing Commitments

#### (a) Operating lease commitments

	2015	2014
	\$	\$
Payable - minimum lease payments		
- no later than 1 year	75,000	75,000
- between 1 year and 5 years	300,000	300,000
- greater than 5 years	56,250	131,250
	<u>431,250</u>	<u>506,250</u>

A lease is currently in place for the lease of office premises within Knopwood House, Battery Point.

#### (b) Capital commitments

There are no capital commitments as at 30 June 2015.

### 17 Contingent Liabilities and Contingent Assets

There are no contingent liabilities or contingent assets as at reporting date to be disclosed.

### 18 Operating Segments

The Branch operates predominantly in one business and geographical segment being servicing the needs of proprietors of independent community pharmacies and to represent their interests in industrial matters.

# The Pharmacy Guild of Australia (Tasmanian Branch)

Notes to the Financial Statements

For the Year Ended 30 June 2015

## 19 Branch Details

The registered office of the organisation is:  
The Pharmacy Guild of Australia (Tasmanian Branch)  
2nd Floor Knopwood House 38 Montpelier Retreat  
Battery Point Tasmania 7004

## The Pharmacy Guild of Australia (Tasmanian Branch)

### Auditors Independence Declaration

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2015 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Accounting Professional Ethical Standards in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

  
**Crowe Horwath Tasmania**



Alison Flakemore  
**Audit Partner**

Dated this 14<sup>th</sup> day of August 2015.

Hobart, Tasmania.

## The Pharmacy Guild of Australia (Tasmanian Branch)

### Independent Audit Report to the members of The Pharmacy Guild of Australia (Tasmanian Branch)

#### *Report on the Financial Statements*

We have audited the accompanying financial report of The Pharmacy Guild of Australia (Tasmanian Branch), which comprise the statement of financial position as at 30 June 2015, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the statement by members of the Branch Committee.

#### *Branch Committees' Responsibility for the Financial Report*

The Branch Committee of the reporting unit is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Fair Work (Registered Organisations) Act 2009*. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Branch Committee, as well as evaluating the overall presentation of the financial report.

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



## The Pharmacy Guild of Australia (Tasmanian Branch)

### Independent Audit Report to the members of The Pharmacy Guild of Australia (Tasmanian Branch)

#### **Independence**

In conducting our audit, we have complied with the independence requirements of Accounting Professional Ethical Standards.

#### **Auditor's Opinion**

In our opinion the financial report of the The Pharmacy Guild of Australia (Tasmanian Branch) present fairly, in all material respects, is in accordance with applicable Australian Accounting Standards and the requirements imposed by the *Fair Work (Registered Organisations) Act 2009*, the financial position of the Pharmacy Guild of Australia Tasmanian Branch as at 30 June 2015, and of its performance and cash flows for the year then ended.

#### **Emphasis of Matter - Going Concern**

Given the financial support outlined in Note 14 from The Pharmacy Guild of Australia National Secretariat, we have assessed that management's use of the going concern basis of accounting in the preparation of the Branch's financial report appears appropriate.



Crowe Horwath Tasmania



Alison Flakemore  
Audit Partner

#### **Auditor Qualifications:**

Bachelor of Commerce with Honours  
Registered Company Auditor No. 241220  
Institute of Chartered Accountants Australia Member No. 96387  
Public Practice Certificate

Dated this 19<sup>th</sup> day of August, 2015.

Hobart, Tasmania.