



23 November 2020

John Dowling
President, Tasmania Branch
The Pharmacy Guild of Australia

Dear John Dowling,

Re: – Financial reporting – The Pharmacy Guild of Australia, Tasmania Branch – for year ending 30 June 2020 (FR2020/174)

I refer to the financial report of the Tasmania Branch of the Pharmacy Guild of Australia in respect of the year ending 30 June 2020. The documents were lodged with the Registered Organisations Commission ('the ROC') on 16 October 2020.

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 the report for year ending 30 June 2021 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 to assist when preparing the next report.

AASB 15 - Separate disclosure of revenue from contracts with customers

Australian Accounting Standard AASB 15 *Revenue from Contracts with Customers* paragraph 113(a) requires an entity to disclose revenue from contracts with customers separately from its other sources of revenue unless already disclosed separately in the statement of comprehensive income.

Note 1(o) to the financial report states that Australian Accounting Standard AASB 15 *Revenue from Contracts with Customers* has been adopted as well as AASB 1058 *Income of Not-for-Profit Entities*, and Notes 1(j) and 1(k) contain key judgments and policy information about particular items of revenue. The statement of comprehensive income presents a single itemised list of income.

After carefully considering the above, it is the ROC's view that the separate disclosure, in the statement of comprehensive income, of revenue from contracts with customers from other income recognised under AASB 1058 should be clear in future reports.¹

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

¹ See e.g. model financial statements

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](#).

Yours faithfully

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
Financial Reporting
Registered Organisations Commission

The Pharmacy Guild of Australia – Tasmanian Branch

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

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER

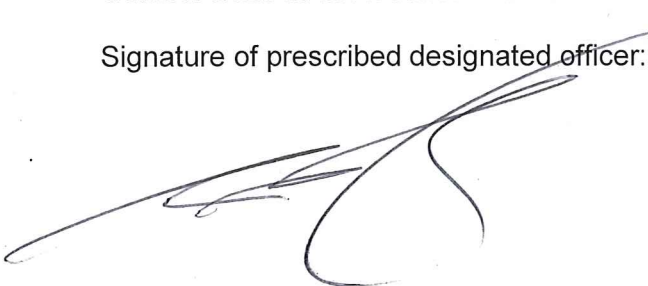
Certificate for the year ended June 2020

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

- that the documents lodged herewith are copies of the full report for the *Pharmacy Guild of Australia, Tasmanian Branch* for the period ended 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 14th *September 2020*; and

that the full report was presented to a *general meeting of members* of the reporting unit on 8th *October 2020* in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:



Name of prescribed designated officer:

John Dowling, Branch President

8 October 2020

Pharmacy Guild of Australia (Tasmanian Branch)

Financial Report

For the Year Ended 30 June 2020

Pharmacy Guild of Australia (Tasmanian Branch)

For the Year Ended 30 June 2020

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Pharmacy Guild of Australia (Tasmanian Branch)

Operating Report

30 June 2020

I, John Dowling, being the designated officer responsible for preparing this financial report for the financial year ended 30 June 2020 of Pharmacy Guild of Australia (Tasmanian Branch), report as follows:

a General information

Principal Activities

- i) 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 in Principal Activities

No significant changes in the nature of the Company's activities occurred during the financial year.

Significant Change in Financial Affairs

No were no significant changes in the Company's financial affairs during the financial year.

Pharmacy Guild of Australia (Tasmanian Branch)

Operating Report

30 June 2020

a General information

Committee Members

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

John Dowling	Branch President and National Councillor
Katie Hayes	Vice President and Alternate National Councillor
Helen O'Byrne	National Councillor, Appointed Vice President Finance
Joe O'Malley	Alternate National Councillor
Terry Travers	Branch Committee Member / Appointed Vice President 11/09/2019
Harvey Cuthill (OAM)	Branch Committee Member
Martin Quinn	Branch Committee Member
Paul Reid	Branch Committee Member
Fredrick Hellqvist	Branch Committee Member
Jack Muir Wilson	Branch Committee Member

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 2020, Pharmacy Guild of Australia (Tasmanian Branch) maintains employment of 4 full time equivalent employees in total (2019:4).

Superannuation Trustees

John Dowling, President of Pharmacy Guild of Australia (Tasmanian Branch), is a Director of Guild Superannuation which is the default superannuation fund for the Pharmacy Guild.

No other officers or employees 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 position is that they are an officer or member of the reporting unit.

Number of Members & Right to Resign

As at 30 June 2020, Pharmacy Guild of Australia (Tasmanian Branch), has 118 members (2019: 118) across its three categories, being Proprietors, Associate and Honorary Life Members.

In accordance with Rule 36 of the Constitution of the Pharmacy Guild of Australia a member may resign from membership by written notice addressed and delivered to the Branch Director in which he or she is a member.

Pharmacy Guild of Australia (Tasmanian Branch)

Operating Report

30 June 2020

b 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*.

c Operating Results and Review of Operations for the Year

Operating result

The surplus/(deficit) from ordinary activities for the year amounted to \$ NIL (2019 \$Nil). There have been no significant changes in the nature of ordinary activities during the 2020 financial year.

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

Signature of designated officer: 

Name and title of designated officer: John Dowling Branch President

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

Dated this 10th day of September 2020.

Pharmacy Guild of Australia (Tasmanian Branch)

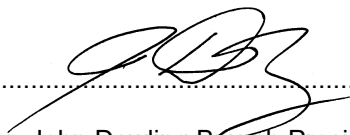
Statement by the Branch Committee

On 10 September 2020, 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 2020.

The Branch Committee declares that in its opinion:

1. The financial statements and notes comply with the Australian Accounting Standards;
2. 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);
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 Branch concerned; and
 - ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of the Branch concerned; and
 - iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
 - iv) where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each 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 orders for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

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

Signature of designated officer: 

Name and title of designated officer: John Dowling Branch President

Dated this 10th day of September 2020.

Pharmacy Guild of Australia (Tasmanian Branch)

Statement of Comprehensive Income

	Note	2020 \$	2019 \$
Income			
Capitation fees and levies	3(a)	-	-
Conference income		109,112	-
Government assistance		41,964	-
Grants and donations	3(b)	480,736	570,049
Interest income		1,536	2,456
Member subscriptions		286,350	271,490
Other income		124,017	82,886
Sub lease Cystic Fibrosis		7,533	6,478
Training		7,095	86,535
Total income		1,058,343	1,019,894
Less: Expenses			
Accounting & audit fees		11,880	6,540
Affiliation Costs	5(a)	1,168	91
Grants and donations	5(c)	27,200	29,288
Award presentation & gifts		1,992	4,978
Bad and doubtful debts		1,242	626
Bank charges		4,612	1,190
Branch administration		17,702	36,542
Car parking expenses		7,789	12,344
Cleaning		85	1,709
Computer expenses		16,815	9,536
Depreciation		78,360	8,421
Employee expense	5(b)	553,848	566,453
Events		34,820	-
Hand sanitiser		7,519	-
Insurance		8,600	11,069
Interest expense - property		17,524	-
National Council Dues	5(a)	114,953	106,975
Other administration expenses	5(d)	6,803	9,989
Postage		2,523	4,022
President's expenses		2,068	3,596
Printing, stationery and office expenses		9,254	15,465
Rent expense	1(o)	-	79,565
Repairs and maintenance		-	5,095
Subscriptions		4,275	10,727
Sundry expenses		23,917	40,098
Tasmanian conference expenses		70,199	-
Telephone		8,191	8,557
Travel and accommodation		18,986	40,455
Utilities		6,018	6,563
Total Expenses		1,058,343	1,019,894
Net surplus/(deficit) for the year		-	-
Total comprehensive income for the year		-	-

This statement should be read in conjunction with the accompanying notes

Pharmacy Guild of Australia (Tasmanian Branch)

Statement of Financial Position

For the year ended 30 June 2020

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	2	201,428	87,851
Inventories		4,038	-
Other assets	12	21,305	15,925
Trade and other receivables	6	200,761	212,718
TOTAL CURRENT ASSETS		<u>427,532</u>	<u>316,494</u>
NON-CURRENT ASSETS			
Plant and equipment		7,005	10,960
Right of use assets - property	8	419,803	-
TOTAL NON-CURRENT ASSETS		<u>426,808</u>	<u>10,960</u>
TOTAL ASSETS		<u><u>854,340</u></u>	<u><u>327,454</u></u>
LIABILITIES			
CURRENT LIABILITIES			
Lease liability - property	20(a)	82,992	-
Other liabilities	11	113,685	62,200
Provision for employee benefits	10	55,709	28,404
Trade and other payables	9	67,703	45,764
TOTAL CURRENT LIABILITIES		<u>320,089</u>	<u>136,368</u>
NON-CURRENT LIABILITIES			
Lease liability - property		351,389	-
Provision for employee benefits	10	3,871	12,095
TOTAL NON-CURRENT LIABILITIES		<u>355,260</u>	<u>12,095</u>
TOTAL LIABILITIES		<u>675,349</u>	<u>148,463</u>
NET ASSETS		<u><u>178,991</u></u>	<u><u>178,991</u></u>
EQUITY			
Accumulated surpluses		173,470	173,470
Reserves		5,521	5,521
TOTAL EQUITY		<u><u>178,991</u></u>	<u><u>178,991</u></u>

This statement should be read in conjunction with the accompanying notes

Pharmacy Guild of Australia (Tasmanian Branch)

Statement of Changes in Equity

For the Year Ended 30 June 2020

2020

	Accumulated Surpluses	Judy Liauw Reserve	Legal Reserve	Total
	\$	\$	\$	\$
Balance at 1 July 2019	173,470	20	5,501	178,991
Net surplus/(deficit) for the year	-	-	-	-
Balance at 30 June 2020	<u>173,470</u>	<u>20</u>	<u>5,501</u>	<u>178,991</u>

2019

	Accumulated Surpluses	Judy Liauw Reserve	Legal Reserve	Total
	\$	\$	\$	\$
Balance at 1 July 2018	173,470	20	5,501	178,991
Net surplus/(deficit) for the year	-	-	-	-
Balance at 30 June 2019	<u>173,470</u>	<u>20</u>	<u>5,501</u>	<u>178,991</u>

This statement should be read in conjunction with the accompanying notes

Pharmacy Guild of Australia (Tasmanian Branch)

Statement of Cash Flows

For the Year Ended 30 June 2020

	Note	2020 \$	2019 \$
CASH FROM OPERATING ACTIVITIES:			
Receipts from members and customers		513,467	567,823
Receipts from other reporting units	13(c)	756,875	539,692
Interest received		1,536	2,456
Payments to suppliers, employees & holders of office		(568,741)	(950,497)
Payments to other reporting units	13(c)	(529,734)	(153,962)
Interest paid		17,524	-
Net cash provided by/(used in) operating activities	13(b)	<u>190,927</u>	<u>5,512</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of plant & equipment		<u>(2,024)</u>	-
Net cash used in investing activities		<u>(2,024)</u>	-
CASH FLOWS FROM FINANCING ACTIVITIES:			
Repayments of lease liability		<u>(75,326)</u>	-
Net cash used by financing activities		<u>(75,326)</u>	-
Net cash increase/(decrease) in cash held		113,577	5,512
Cash held at the beginning of the financial year		<u>87,851</u>	<u>82,339</u>
Cash held at the end of the financial year	13(a)	<u><u>201,428</u></u>	<u><u>87,851</u></u>

This statement should be read in conjunction with the accompanying notes

Pharmacy Guild of Australia (Tasmanian Branch)

Notes to the Financial Statements

For the Year Ended 30 June 2020

1 Summary of Significant Accounting Policies

The financial statements are for Pharmacy Guild of Australia (Tasmanian Branch) as an individual entity, incorporated and domiciled in Australia. 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 Pharmacy Guild of Australia (Tasmanian Branch) is Australian dollars.

(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.

These financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The significant accounting policies used in the preparation and presentation of these financial statements are provided below and are consistent with prior reporting periods unless otherwise stated.

The financial statements are based on historical costs, except for the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(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) Plant and Equipment

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

Pharmacy Guild of Australia (Tasmanian Branch)

Notes to the Financial Statements

For the Year Ended 30 June 2020

1 Summary of Significant Accounting Policies

(d) Plant and Equipment

Depreciation

The depreciable amount of all plant and equipment 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:

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

The Association assesses impairment at the end of each reporting period by evaluating conditions specific to the Association that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

(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) Trade and Other Receivables

Trade and other receivables are recorded at costs which is considered a reasonable approximation of fair value due to the short term nature of the balances.

(h) 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.

Pharmacy Guild of Australia (Tasmanian Branch)

Notes to the Financial Statements

For the Year Ended 30 June 2020

1 Summary of Significant Accounting Policies

(i) Financial Instruments

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Branch classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL
- fair value through other comprehensive income - equity instrument (FVOCI - equity)
- fair value through other comprehensive income - debt investments (FVOCI - debt)

Financial assets are not reclassified subsequent to their initial recognition unless the Branch changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Branch's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of comprehensive income.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Fair value through profit and loss

There are no financial assets classified as Fair value through profit and loss.

Fair value through other comprehensive income

Pharmacy Guild of Australia (Tasmanian Branch)

Notes to the Financial Statements

For the Year Ended 30 June 2020

1 Summary of Significant Accounting Policies

(i) Financial Instruments

Financial assets

There are no financial assets classified as Fair value through other comprehensive income.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost
- debt investments measured at FVOCI

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Branch considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Branch's historical experience and informed credit assessment and including forward looking information.

The Branch uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Branch uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Branch in full, without recourse to the Branch to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Branch in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables and contract assets

Impairment of trade receivables and contract assets have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Branch has determined the probability of non-payment of the receivable and contract asset and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Branch renegotiates the terms of trade receivables due from certain customers, the new expected cash flow are discounted at the original effective interest rate and any resulting difference to

Pharmacy Guild of Australia (Tasmanian Branch)

Notes to the Financial Statements

For the Year Ended 30 June 2020

1 Summary of Significant Accounting Policies

(i) Financial Instruments

Financial assets

the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Branch measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Branch comprise trade payables and lease liabilities.

Financial instruments are recognised initially on the date that the Branch becomes party to the contractual provisions of the instrument.

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).

(j) 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 entity does not control any other reporting units (subsidiaries). Control is achieved where a reporting unit is exposed or has rights to variable returns from its involvement with an investor and has the ability to affect those returns through its power over the reporting unit.

Key judgments - Revenue

For many of the grant agreements received, the determination of whether the contract includes sufficiently specific performance obligations was a significant judgment involving discussions, review of the grant documents and consideration of the terms and conditions. Grants received by the Branch have been accounted for under AASB 15 and/or AASB 1058 depending on the terms and conditions and decisions made. If this determination was changed then the revenue recognition pattern would be different from that recognised in this financial report.

Pharmacy Guild of Australia (Tasmanian Branch)

Notes to the Financial Statements

For the Year Ended 30 June 2020

1 Summary of Significant Accounting Policies

(j) Critical Accounting Estimates and Judgments

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 2020.

(k) Revenue

Accounting policy prior to 1 July 2019

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

Subscription income is recognised in the period to which the subscriptions relate.

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).

Accounting policy from 1 July 2019

The membership revenue enters into various arrangements where it receives consideration from another party. These arrangements include consideration in the form membership subscription, grants and donations.

Revenue from contracts with customers

Where the Branch has a contract with a customer, the Branch recognises revenue when or as it transfers control of goods or services to the customer. The Branch accounts for an arrangement as a contract with a customer if the following criteria are met:

- the arrangement is enforceable; and
- the arrangement contains promises (that are also known as performance obligations) to transfer goods or services to the customer (or to other parties on behalf of the customer) that are sufficiently specific so that it can be determined when the performance obligation has been satisfied.

Pharmacy Guild of Australia (Tasmanian Branch)

Notes to the Financial Statements

For the Year Ended 30 June 2020

1 Summary of Significant Accounting Policies

(k) Revenue

Membership subscriptions

For membership subscription arrangements that meet the criteria to be contracts with customers, revenue is recognised when the promised goods or services transfer to the customer as a member of the Branch.

The Branch recognises revenue as the membership services is provided, which is typically based on the passage of time over the subscription period to reflect the Branch's promise to stand ready to provide assistance and support to the member as required.

For member subscriptions paid annually in advance, the Branch has elected to apply the practical expedient to not adjust the transaction price for the effects of a significant financing component because the period from when the customer pays and the good or services will transfer to the customer will be one year or less.

When a member subsequently purchases additional goods or services from the Branch at their standalone selling price, the branch's accounts for those sales as a separate contract with a customer.

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

Operating Grants/Subsidies - Under AASB 15

Where grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligations then the revenue is recognised when control of each performance obligation is satisfied.

Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control and within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract. Where control is transferred over time, generally input methods being either costs or time incurred are deemed to be the most appropriate method to reflect the transfer of benefit.

Operating Grants/Subsidies - Under AASB 1058

Assets arising from grants in the scope of AASB 1058 (ie. agreements that are not enforceable or do not have sufficiently specific performance obligations) are recognised at their fair value when the asset is received. These assets are generally cash, but may be property which has been donated or sold to the Branch significantly below its fair value.

The Branch then considered whether there are any related liability or equity items associated with the asset which are recognised in accordance with the relevant accounting standard. Once the assets and liabilities have been recognised, then income is recognised for any difference between the recorded asset and liability.

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

Pharmacy Guild of Australia (Tasmanian Branch)

Notes to the Financial Statements

For the Year Ended 30 June 2020

1 Summary of Significant Accounting Policies

(k) Revenue

Rental income

Leases in which the branch as a lessor, does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the relevant lease term. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(l) Leases

Right-of-Use Asset

At the lease commencement, the Branch recognised a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Branch believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the least liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

Lease Liabilities

At the commencement date of the lease, the Branch recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Branch and payments of penalties for terminating the lease, if the lease term reflects the Branch exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Branch uses the incremental borrowing rate of 3.85% pa. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Pharmacy Guild of Australia (Tasmanian Branch)

Notes to the Financial Statements

For the Year Ended 30 June 2020

1 Summary of Significant Accounting Policies

(m) 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 comprehensive income 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.

(n) Income Tax

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

(o) Adoption of new and revised accounting standards

The Branch has adopted all standards which became effective for the first time as at 1 July 2019. All required changes in respect of adopting these standards have been made to the reported financial position, performance or cash flow of the Branch. The impact was as follows;

Leases

AASB 16 Leases standard is applicable to the annual reporting periods beginning on or after 1 January 2019. The Branch applied the standard from 1 July 2019.

AASB 16 Leases introduced a single lessee accounting method and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value (lower than the asset capitalisation policy). A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligations to make lease payments.

The calculation of the lease liability takes into account appropriate discount rates, assumptions about the lease term, and increases in lease payment. A corresponding right-of-use assets is recognised and amortised over the term of the lease. Rent expense is no longer shown. The profit and loss impact of the leases is through amortisation and interest charges.

The Branch adopted AASB 16 Leases using the modified retrospective method of transition, with the date of initial application of 1 July 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Branch has one lease that must be accounted for which is the following:

38 Montpelier Retreat, Battery Point that from 1 July 2019 to 31 May 2026. The Branch pays a total of \$6,916 per month.

In the Statement of Cash Flows, lease payments are shown as cash flows from financing activities instead of operating activities.

Pharmacy Guild of Australia (Tasmanian Branch)

Notes to the Financial Statements

For the Year Ended 30 June 2020

1 Summary of Significant Accounting Policies

(o) Adoption of new and revised accounting standards

The impact in 2020 first time implementation was to recognise a right-of-use asset and corresponding liability on totaling \$492,183 the impact on the statement of comprehensive income for 2020 was to reduce rent expense \$75,326 by and increase depreciation by \$72,380 and interest by \$17,524. Cashflows relating to leases are classified as finance activities.

The difference between the operating lease commitments disclosed at 30 June 2019 being \$580,944 and the lease liabilities recognised on the initial application \$492,183 is the discounting using the incremental borrowing rate at the date of initial application.

The Branch was not required to make any adjustments on transition to AASB 16 where it is a lessor.

Revenue

AASB 15 Revenue from contracts with customers and AASB 1058 income for not-for-profit entities became effective from 1 July 2019. These standard changed the timing of income recognition depending on whether transactions give rise to a liability or other performance obligation (a promise to transfer a good or service).

The Branch adopted AASB 15 and AASB 1058 using the modified retrospective method of adoption, with the date of initial application of 1 July 2019. In accordance with the transition approach, the Branch recognised the cumulative effect of applying these new standards as an adjustment to opening retained earnings at the date of initial application, i.e 1 July 2019. Consequently the comparative information presented has not been restated and continues to be reported under the previous standards on revenue and income recognition. In addition, the Branch has applied the practical expedient and elected to apply these standards retrospectively only to contracts and transactions that were not completed contracts at the date of initial application, ie 1 July 2019.

The impact in 2020 first time implementation of AASB 1058 and AASB 15 had no material impact on the financial statements.

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 Standard AASB 2020-1 Amendments to Australian Accounting Standards Classification of Liabilities as Current or Non-current amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. This standard applied to annual reporting periods beginning on or after 1 January 2022. The Branch has decided against early adoption of this Standard.

(p) 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) to (3) of section 272, which reads as follows:

Information to be provided to members or Commissioner:

- i) 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

Pharmacy Guild of Australia (Tasmanian Branch)

Notes to the Financial Statements

For the Year Ended 30 June 2020

1 Summary of Significant Accounting Policies

(p) **Section 272 Fair Work (Registered Organisations) Act 2009**
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).

(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.

(r) **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.

The entity has not provided any going concern support to any other reporting unit.

(s) **Acquisition Of Assets And Or Liabilities That Do Not Constitute A Business Combination**

There were no acquisitions of assets and or liabilities that do not constitute a business combination as at reporting date to be disclosed.

2 Cash and Cash Equivalents

	2020	2019
	\$	\$
Cash on hand	411	411
Cash at bank	201,017	87,440
	<u>201,428</u>	<u>87,851</u>

Pharmacy Guild of Australia (Tasmanian Branch)

Notes to the Financial Statements

For the Year Ended 30 June 2020

3 Revenue

(a) Capitation Fees and Levies

	2020	2019
	\$	\$
Capitation fees received	-	-
Levies received	-	-
	<u>-</u>	<u>-</u>

(b) Grants and Donations

	2020	2019
	\$	\$
Grant - Department of Health	26,992	23,999
Grant - Digital Health funding	-	15,000
Grants - National Secretariat	258,626	335,933
Grant - Pharmacy Transformation Program	195,118	195,117
Donations	-	-
	<u>480,736</u>	<u>570,049</u>

4 Commissions

	2020	2019
	\$	\$
Commissions	-	-
	<u>-</u>	<u>-</u>

5 Expenses

(a) Affiliation Fees, Capitation Fees and Levies

	2020	2019
	\$	\$
Affiliation fees		
Pharmaceutical Society of Australia Ltd	636	-
COTA (Tas)	532	-
Other	-	91
	<u>1,168</u>	<u>91</u>
National Council Dues		
National Council Dues	114,953	106,975
	<u>116,121</u>	<u>107,066</u>

Pharmacy Guild of Australia (Tasmanian Branch)

Notes to the Financial Statements

For the Year Ended 30 June 2020

5 Expenses

(b) Employee Expenses

	2020	2019
	\$	\$
Employees other than holders of office		
Wages and salaries	460,419	488,710
Superannuation	41,918	42,254
Leave and other entitlements	19,082	(5,759)
Separation and redundancies	-	-
Other employee expenses	-	-
Holders of office		
Wages and salaries	-	-
Superannuation contributions	3,081	2,985
Leave and other entitlements	-	-
Separation and redundancies	-	-
Other employee expenses	-	-
Other payroll expenses		
Payroll tax	22,113	32,842
Fringe benefits tax	5,743	-
Staff training	1,244	5,172
Employee assistance program	248	248
Contractor's expense	-	-
Payroll deductions for memberships	-	-
	<u>553,848</u>	<u>566,452</u>

(c) Grants and Donations

	2020	2019
	\$	\$
Grants		
Total paid that were \$1,000 or less	-	1,288
Total paid that were \$1,000 or more	2,200	3,000
Donations		
Total paid that were \$1,000 or less	-	-
Total paid that were \$1,000 or more	25,000	25,000
	<u>27,200</u>	<u>29,288</u>

Pharmacy Guild of Australia (Tasmanian Branch)

Notes to the Financial Statements

For the Year Ended 30 June 2020

5 Expenses

(d) Other Administrative Expenses

	2020	2019
	\$	\$
Consideration to employers for payroll deductions	(1,300)	-
Penalties via the RO Act or RO Regulations	-	-
Conference and meeting expenses	8,103	9,393
Fees/allowances - meetings and conferences	-	-
Litigation fees	-	-
Other legal fees	-	596
	<u>6,803</u>	<u>9,989</u>

6 Trade and Other Receivables

	2020	2019
	\$	\$
Trade receivables	10,298	19,192
Trade receivables (The Pharmacy Guild of Australia National Secretariat)	174,489	193,526
Provision for doubtful debts	-	-
Provision for doubtful debts (other reporting units)	-	-
Provision for doubtful debts (The Pharmacy Guild of Australia National Secretariat)	-	-
Loan receivable - ex-employee	15,974	-
	<u>200,761</u>	<u>212,718</u>

(a) Ageing analysis

	2020	2019
	\$	\$
Less than 30 days	118,292	204,526
31 days to 60 days	2,676	1,247
61+ days (past due not impaired)	23,159	6,945
	<u>144,127</u>	<u>212,718</u>

Pharmacy Guild of Australia (Tasmanian Branch)

Notes to the Financial Statements

For the Year Ended 30 June 2020

7 Plant and Equipment

	2020	2019
	\$	\$
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	59,730	57,706
Accumulated depreciation	(52,726)	(46,746)
Total plant and equipment	<u>7,004</u>	<u>10,960</u>

(a) Movements in Carrying Amounts

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

	Plant and Equipment \$
Balance at the beginning of year	10,960
Additions	2,024
Depreciation expense	(5,980)
Impairment	-
Carrying amount at 30 June 2020	<u>7,004</u>
Balance at the beginning of year	19,563
Additions	-
Depreciation expense	(8,603)
Impairment	-
Carrying amount at 30 June 2019	<u>10,960</u>

8 Right of use assets

	2020	2019
	\$	\$
Right of use asset		
Right of use asset - property	492,183	-
Accumulated depreciation - property	(72,380)	-
Total Right of use assets	<u>419,803</u>	<u>-</u>

Pharmacy Guild of Australia (Tasmanian Branch)

Notes to the Financial Statements

For the Year Ended 30 June 2020

9 Trade and Other Payables

	2020	2019
	\$	\$
Trade payables	19,745	11,958
Trade payables (The Pharmacy Guild of Australia National Secretariat)	-	-
PAYG payable	8,424	7,826
Clearing - after tax salary	15,431	-
Accrued expenses	10,674	760
Consideration to employers for payroll deductions	-	-
Legal fees- other legal matters	-	-
Legal fees - litigation	-	-
GST payable	29,723	26,195
Payroll deductions payable/(receivable)	(16,294)	(975)
	<u>67,703</u>	<u>45,764</u>

All amounts are short term and the carrying values are considered to be a reasonable approximation of fair value.

10 Provision for Employee Benefits

	2020	2019
	\$	\$
CURRENT		
 Holders of Office		
Annual leave	-	-
Separation and redundancies	-	-
Long service leave	-	-
Other	-	-
 Employees other than holders of office		
Annual leave	42,156	28,404
Long service leave	13,553	-
Separation and redundancies	-	-
Other	-	-
	<u>55,709</u>	<u>28,404</u>

Pharmacy Guild of Australia (Tasmanian Branch)

Notes to the Financial Statements

For the Year Ended 30 June 2020

10 Provision for Employee Benefits

	2020	2019
	\$	\$
NON-CURRENT		
Holders of Office		
Annual leave	-	-
Long service leave	-	-
Separation and redundancies	-	-
Other	-	-
Employees other than holders of office		
Annual leave	-	-
Long service leave	3,871	12,095
Separation and redundancies	-	-
Other	-	-
	<u>3,871</u>	<u>12,095</u>

11 Other Liabilities

	2020	2019
	\$	\$
Subscriptions in advance	113,685	62,200
	<u>113,685</u>	<u>62,200</u>

12 Other Assets

	2020	2019
	\$	\$
Prepayments	<u>21,305</u>	<u>15,925</u>

Pharmacy Guild of Australia (Tasmanian Branch)

Notes to the Financial Statements

For the Year Ended 30 June 2020

13 Cash Flow Information

(a) Reconciliation of cash

		2020	2019
		\$	\$
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	2	201,428	87,851

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

		2020	2019
		\$	\$
Net surplus/(deficit) for the year		-	-
Non-cash flows in surplus/(deficit)			
- Interest on lease		17,524	-
- Depreciation		78,360	8,421
Changes in assets and liabilities			
- (Increase)/decrease in trade and other receivables		11,956	(20,761)
- (Increase)/decrease in other assets		(5,380)	20,595
- (Increase)/decrease in inventories		(4,038)	-
- Increase/(decrease) in trade and other payables		21,938	(20,799)
- Increase/(decrease) in subscriptions in advance		51,485	31,291
- Increase/(decrease) in provision for employee benefits		19,082	(13,236)
Cashflow from operations		190,927	5,511

(c) Cash Flows with Other Reporting Units

		2020	2019
		\$	\$
Cash Inflows			
The Pharmacy Guild of Australia - National Secretariat		753,107	535,355
The Pharmacy Guild of Australia - VIC Branch		833	-
The Pharmacy Guild of Australia - QLD Branch		2,935	4,337
		<u>756,875</u>	<u>539,692</u>
Cash Outflows			
The Pharmacy Guild of Australia - National Secretariat		526,311	152,661
The Pharmacy Guild of Australia - QLD Branch		3,330	-
The Pharmacy Guild of Australia - SA Branch		-	139
The Pharmacy Guild of Australia - NT Branch		-	800
The Pharmacy Guild of Australia - WA Branch		93	362
		<u>529,734</u>	<u>153,962</u>

Pharmacy Guild of Australia (Tasmanian Branch)

Notes to the Financial Statements

For the Year Ended 30 June 2020

14 Financial Risk Management

The Branch is exposed to a variety of financial risks through its use of financial instruments.

The Branch's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The Branch does not speculate in financial assets.

The most significant financial risks to which the Branch is exposed to are described below:

Specific risks

- Liquidity risk
- Credit risk
- Market risk - currency risk, interest rate risk and price risk

Financial instruments used

The principal categories of financial instrument used by the Branch are:

- Trade and other receivables
- Cash at bank
- Trade and other payables

Objectives, policies and processes

Risk management is carried out by the Branch Committee. The Finance Manager has primary responsibility for the development of relevant policies and procedures to mitigate the risk exposure of the Branch, these policies and procedures are then approved by the Branch Committee.

Reports are presented at each Branch Committee meeting regarding the implementation of these policies exposure.

Specific information regarding the mitigation of each financial risk to which the Branch is exposed is provided below.

Pharmacy Guild of Australia (Tasmanian Branch)

Notes to the Financial Statements

For the Year Ended 30 June 2020

14 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, as detailed in the accounting policies to these financial statements, are as follows:

		2020	2019
		\$	\$
Financial Assets			
- Cash and cash equivalents	2	201,428	87,851
- Trade and other receivables	6	200,761	212,718
Total Financial Assets		<u>402,189</u>	<u>300,569</u>
Financial Liabilities			
- Trade and other payables	9	67,703	45,764
- Lease liability		434,381	-
Total Financial Liabilities		<u>502,084</u>	<u>45,764</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;

Pharmacy Guild of Australia (Tasmanian Branch)

Notes to the Financial Statements

For the Year Ended 30 June 2020

14 Financial Risk Management

(b) Liquidity risk

- obtaining funding from a variety of sources; and
- maintaining a reputable credit risk profile.

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities.

Financial liability maturity analysis - Non-derivative

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
	\$	\$	\$	\$	\$	\$	\$	\$
Financial liabilities due for payment								
Trade and other payables	67,703	45,764	-	-	-	-	67,703	45,764
Lease liability	79,802	-	363,534	-	8,847	-	452,183	-
Total contractual outflows	<u>47,505</u>	<u>45,764</u>	<u>363,534</u>	<u>-</u>	<u>8,847</u>	<u>-</u>	<u>519,886</u>	<u>45,764</u>

The timing of expected outflows is not expected to be materially different from contracted cashflows.

(c) Interest rate risk

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

(d) Foreign exchange 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, collectable 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.

Pharmacy Guild of Australia (Tasmanian Branch)

Notes to the Financial Statements

For the Year Ended 30 June 2020

15 Key Management Personnel Compensation

	2020	2019
	\$	\$
Short term employee benefits - Officer	35,509	34,420
Short term employee benefits - Director	173,169	173,251
Long-term benefits - Officer	-	-
Long-term benefits - Director	674	(91)
Post-employment benefits	-	-
Termination benefits	-	-
Share-based payments	-	-
	<u>209,352</u>	<u>207,580</u>

Pharmacy Guild of Australia (Tasmanian Branch)

Notes to the Financial Statements

For the Year Ended 30 June 2020

16 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 6, 9 and 13(c) to the financial statements. There is no doubtful debt provision raised against related parties. There were no payments to former related parties of the Branch. Transactions with related parties:

Name	Pharmacy	Training Services \$	Conference & Dinner Events \$	Member Services \$	Outstanding at 30 June 2020 \$
John Dowling	Coventry's Pharmacy	-	2,068	2,805	-
Helen O'Byrne	Riverside Capital Chemist	700	192	2,805	-
	Windsor Pharmacy	-	-	2,805	-
Harvey Cuthill	-	-	-	-	-
Martin Quinn	-	-	-	-	-
Katie Hayes	Risdon Vale Pharmacy	-	-	2,805	-
Joe'O'Malley	Penguin Pharmacy	-	50	2,805	-
	Westside Pharmacy	-	-	2,805	-
Terry Travers	Mersey Advantage Pharmacy	-	-	2,805	-
	Priceline Pharmacy Devonport	-	-	2,805	-
	Priceline Pharmacy Ulverstone	-	-	2,805	-
Paul Reid	Terry White Chemmart Fourways	-	-	2,805	-
	Blackmans Bay Discount Drug Store	-	-	2,805	-
	Rokeby Discount Drug Store	-	-	2,805	-
Fred Hellqvist	Dover Pharmacy	-	-	2,805	-
Jack Muir Wilson	Wilkinson's Healthsave Pharmacy	-	972	2,805	-

Pharmacy Guild of Australia (Tasmanian Branch)

Notes to the Financial Statements

For the Year Ended 30 June 2020

17 Auditors' Remuneration

	2020	2019
	\$	\$
Remuneration of the auditor, Crowe Audit Australia, of the Branch for:		
- auditing and compiling the financial report	9,075	8,790
- other services	-	-
	<u>9,075</u>	<u>8,790</u>

18 Fair Value Measurement

The Company measures the following assets and liabilities at fair value on a recurring basis:

- Financial assets
- Financial liabilities

Fair value hierarchy

The Branch has no financial assets or liabilities at fair value:

19 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 (r).

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

	2020	2019
	\$	\$
Total comprehensive income for the year	-	-
Less National Secretariat Funding of deficit	(174,489)	(170,427)
Total comprehensive income before National Secretariat Funding	<u>(174,489)</u>	<u>(170,427)</u>

Pharmacy Guild of Australia (Tasmanian Branch)

Notes to the Financial Statements

For the Year Ended 30 June 2020

20 Capital and Leasing Commitments

(a) Lease commitments

As a Lessee

	2020	2019
	\$	\$
Payable - minimum lease payments		
- no later than 1 year	82,992	82,992
- between 1 year and 5 years	248,976	331,968
- greater than 5 years	82,992	165,984
	<u>414,960</u>	<u>580,944</u>

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

As a Lessor

	2020	2019
	\$	\$
Receivable - lease payments		
- not later than 1 year	7,533	6,478
- between 1 year and 5 years	55,000	25,912
- greater than 5 years	-	-
	<u>62,533</u>	<u>32,390</u>

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

(b) Capital commitments

There are no capital commitments as at 30 June 2020 (2019:Nil).

21 Contingent Liabilities and Contingent Assets

The Branch has received grant funds with associated agreements whereby unexpended funds may be repayable to the funding provider in the future in the either of either cessation of the funded services or upon triggering of a repayment clause in a funding agreement. Any unspent grant funds relating to current funding agreements are separately set aside as a restricted reserve in equity.

There are no other contingencies at year end (2019: nil).

22 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.

Pharmacy Guild of Australia (Tasmanian Branch)

Notes to the Financial Statements

For the Year Ended 30 June 2020

23 Other specific disclosures funds

	2020	2019
	\$	\$
Compulsory levy/voluntary contribution fund		
Balance at start of year	-	-
Transferred to reserve	-	-
Transferred out of reserve	-	-
Balance at end of year	<u>-</u>	<u>-</u>
Other fund(s) required by rules		
Balance at start of year	-	-
Transferred to reserve	-	-
Transferred out of reserve	-	-
Balance at end of year	<u>-</u>	<u>-</u>

24 Events After the End of the Reporting Period

The Coronavirus (COVID-19) pandemic continues to impact both communities and businesses throughout the world, including Australia. The community where the branch operates. The scale, timing and duration of potential impacts on the branch is unknown, as are and future mitigating factors. The branch continues to closely monitor the impacts of COVID-19 and will respond as appropriate.

There are no other subsequent events as at reporting date to be disclosed or adjusted for.

25 Branch Details

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

The Pharmacy Guild of Australia (Tasmanian Branch)

Subsection 255 (2A) Report

For the year ended 30 June 2020

The Branch Committee presents the Subsection 255(2A) report on the Reporting Unit for the year ended 30 June 2020.

2020 - Expenditure as required under S.255(2A)	
RO Act	
Legal costs	\$-
Donations to political parties	\$29,920.00
Advertising	\$-
Operating Costs	\$466,608.18
Remuneration and other employment-related costs and expenses – employees	\$571,709.60

Total = \$1,068,237.78

The Pharmacy Guild of Australia (Tasmanian Branch)

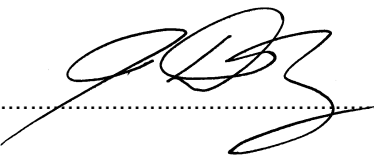
Subsection 255 (2A) Report

For the year ended 30 June 2020

(continued)

2019 - Expenditure as required under S.255(2A) RO Act	
Legal costs	\$596.70
Donations to political parties	\$25,000.00
Advertising	\$-
Operating Costs	\$357,292.42
Remuneration and other employment-related costs and expenses – employees	\$592,042.50

Total = \$983,352.62

Signature of designated officer: 

Name and title of designated officer:John Dowling Branch President.....

Dated this 10th day of September 2020.

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 2020 there have been:

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



Crowe Audit Australia



Alison Flakemore
Senior Partner

Dated this 9th day of September 2020.

Hobart, Tasmania.

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Pharmacy Guild of Australia (Tasmanian Branch)

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

Opinion

We have audited the financial report of The Pharmacy Guild of Australia (Tasmanian Branch), which comprises the statement of financial position as at 30 June 2020, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, the statement by the Branch Committee, and the subsection 255 (2A) report.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the Branch as at 30 June 2020, and of its financial performance and its cash flows for the year then ended in accordance with:

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

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 Branch 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.

Emphasis of Matter – Going Concern

Given the financial support outlined in Note 19 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.

Other Information

The Branch Committee responsible for the other information. The other information comprises the Operating Report the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon.

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

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

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Pharmacy Guild of Australia (Tasmanian Branch)

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

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

Responsibilities of the Branch Committee for the Financial Report

The Branch Committee is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards 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.

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

Those charged with governance are responsible for overseeing the Branch's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objective is to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 judgment 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.

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Pharmacy Guild of Australia (Tasmanian Branch)

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

- 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 Branch'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 Branch's ability to continue as a going concern. If we conclude that a material uncertainty exists, we required to draw attention in the auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Branch 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 Branch to express an opinion on the financial report. Our responsible for the direction, supervision and performance of the Branch audit. We remain solely responsible for our audit opinion.

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Pharmacy Guild of Australia (Tasmanian Branch)

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

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



Crowe Audit Australia



Alison Flakemore
Senior Partner

Qualifications:

Fair Work (Registered Organisations) Act 2009 - Registered Auditor No. AA2017/135
Bachelor of Commerce with Honours
Registered Company Auditor No. 241220
Institute of Chartered Accountants Australia Member No. 96387
Hold a current Public Practice Certificate

Dated this 11th day of September 2020.

Hobart, Tasmania.

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