



5 May 2014

Mr George Tambassis
Branch President
The Pharmacy Guild of Australia, Victoria
Guild House, 40 Burwood Road
Hawthorn VIC 3122

via e-mail: info@vic.guild.org.au

Dear Mr Tambassis

**The Pharmacy Guild of Australia, Victoria
Financial Report for the year ended 30 June 2013 - FR2013/174**

I acknowledge receipt of your letter of 30 April 2014.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged. However, please note the matters outlined below for inclusion in your next financial return.

You should also note that the Pharmacy Guild of Australia, Victoria (PGA-VIC) 2013-14 financial report will be subjected to an advanced review. In this regard you should ensure that the PGA-VIC report complies with the requirements of the *Fair Work (Registered Organisations) Act 2009* (the RO Act), *Fair Work (Registered Organisations) Regulations 2009* (the RO Regs), Reporting Guidelines (RG) made under section 255 of the RO Act and Australian Accounting Standards.

A 'Model financial statements for 2012-13' is available on the FWC website to assist organisations prepare returns. The 2013-14 version of this document will be published on the FWC website prior to 30 June 2014.

1. Operating Report

Period of membership of committee of management

Regulation 159(c) of the RO Regulations requires the Operating Report to disclose the period each listed officer served on the Committee of Management during the reporting period.

2. General Purpose Financial Report

Application of Tier 1 reporting requirements

Paragraph 8 of the Reporting Guidelines states '*It is a requirement that all reporting units apply the Tier 1 reporting requirements as per the Australian Accounting Standard AASB 1053 Application of Tiers of Australian Accounting Standards*'.

The PGA-VIC is required to prepare financial statements in accordance with the Tier 1 reporting requirements.

New and Future Australian Accounting Standards

Australian Accounting Standard *AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors* paragraphs 14 and 28 require that the entity disclose:

- Australian Accounting Standards adopted during the period; and
- Australian Accounting Standards issued but not yet effective with an assessment of the future impact of the standard on the entity.

Financial instruments disclosures

Australian Accounting Standard *AASB 7 Financial Instruments: Disclosures* details the reporting disclosures required by an entity in relation to financial instruments.

Reconciliation of cash flows from operating activities

Australian Accounting Standard *AASB 107 Statement of Cash Flows* paragraph 45 requires that the entity disclose '...the components of cash and cash equivalents and shall present a reconciliation of the amounts in its statement of cash flows with the equivalent items reported in the statement of financial position'..

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 (03) 8661 7675 or by email at ken.morgan@fwc.gov.au

Yours sincerely

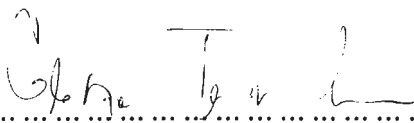


Ken Morgan
Financial Reporting Advisor
Regulatory Compliance Branch



I, George Tambassis, President of the Victorian Branch of The Pharmacy Guild of Australia, certify that:

1. The auditor's report, the accounts and statements, and the Operating Report and the Committee of Management Report in respect to the financial year commencing 1 July 2012 and ending 30 June 2013 were made available to members free of charge on 4 September 2013.
2. The enclosed documents are copies of the auditor's report, the accounts and statements, Operating Report and the Committee of Management Statement, prepared for the Branch in accordance with the Act with respect to the year ending 30 June 2013 and are as presented at the Annual General meeting of the Pharmacy Guild of Australia, Victoria, on 26 September 2013.


.....
President
The Pharmacy Guild of Australia, Victoria

27 September 2013

Victoria

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**The Pharmacy Guild of Australia
Victoria**

ANNUAL FINANCIAL REPORT

Year Ended

30 June 2013

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2013

	Note	Consolidated	
		2013 \$	2012 \$
INCOME			
Revenue	2	4,834,671	4,971,351
Share of profit from joint venture entity	2	687,187	858,994
Other income	2	64,229	202,898
		<u>5,586,087</u>	<u>6,033,243</u>
PROJECT PAYMENTS AND OTHER EXPENSES			
Administration		764,452	464,550
Building outgoings		120,986	137,807
Committee fees and allowances		11,710	13,748
Depreciation		143,291	146,681
Employee benefits expenses		2,127,633	2,065,314
Membership contributions to National Council		1,216,343	1,274,777
National Secretariat and Branch contributions		75,000	187,500
Printing and despatch		107,656	137,479
Public relation and consultancy		62,742	40,863
Superannuation		273,646	300,052
Staff training and trainers fees		276,342	367,371
Travelling expenses		160,907	146,061
		<u>5,340,708</u>	<u>5,282,203</u>
PROFIT FOR THE YEAR	3	<u>245,379</u>	<u>751,040</u>
OTHER COMPREHENSIVE INCOME			
Fair value revaluation of land and buildings		(19,883)	125,000
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>225,496</u>	<u>876,040</u>
Profit attributable to:			
Members of the parent entity		246,698	742,748
Non-controlling interest		(1,319)	8,292
		<u>245,379</u>	<u>751,040</u>
Other comprehensive income attributable to:			
Members of the parent entity		(18,564)	116,708
Non-controlling interest		(1,319)	8,292
		<u>(19,883)</u>	<u>125,000</u>
Total comprehensive income attributable to:			
Members of the parent entity		228,134	859,456
Non-controlling interest		(2,638)	16,584
		<u>225,496</u>	<u>876,040</u>

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013**

	Note	Consolidated	
		2013 \$	2012 \$
CURRENT ASSETS			
Cash and cash equivalents	4	1,124,566	1,312,853
Trade and other receivables	5	1,573,998	1,661,142
Other assets	6	408,174	912,534
TOTAL CURRENT ASSETS		<u>3,106,738</u>	<u>3,886,529</u>
NON-CURRENT ASSETS			
Property, plant and equipment	7	4,563,353	4,628,266
Investment property	8	4,050,000	4,000,000
Investments accounted for using the equity method	9	4,331,721	3,944,534
TOTAL NON-CURRENT ASSETS		<u>12,945,074</u>	<u>12,572,800</u>
TOTAL ASSETS		<u>16,051,812</u>	<u>16,459,329</u>
CURRENT LIABILITIES			
Trade and other payables	10	2,738,064	3,262,105
Provisions	11	316,722	445,929
TOTAL CURRENT LIABILITIES		<u>3,054,786</u>	<u>3,708,034</u>
NON-CURRENT LIABILITIES			
Trade and other payables	10	53,995	53,995
Provisions	11	52,628	41,537
TOTAL NON-CURRENT LIABILITIES		<u>106,623</u>	<u>95,532</u>
TOTAL LIABILITIES		<u>3,161,409</u>	<u>3,803,566</u>
NET ASSETS		<u>12,890,403</u>	<u>12,655,763</u>
EQUITY			
Accumulated Funds		10,927,688	10,680,990
Reserves	18	1,425,624	1,444,188
Parent interest		12,353,312	12,125,178
Non-controlling interest		537,091	530,585
TOTAL EQUITY		<u>12,890,403</u>	<u>12,655,763</u>

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF CHANGES OF EQUITY
FOR THE YEAR ENDED 30 JUNE 2013**

	Attributable to members of the parent entity				
	Revaluation Reserve \$	Accumulated Funds \$	Sub-total \$	Non- controlling interest \$	Total \$
At 1 July 2011	1,327,480	9,938,242	11,265,722	514,001	11,779,723
Profit for the year	-	742,748	742,748	8,292	751,040
Other Comprehensive Income	116,708	-	116,708	8,292	125,000
Transfer to Accumulated Funds	-	-	-	-	-
At 30 June 2012	1,444,188	10,680,990	12,125,178	530,585	12,655,763
Unit issue to non- controlling interest				9,144	9,144
Profit for the year	-	246,698	246,698	(1,319)	245,379
Other Comprehensive Income	(18,564)	-	(18,564)	(1,319)	(19,883)
At 30 June 2013	1,425,624	10,927,688	12,353,312	537,091	12,890,403

The Pharmacy Guild of Australia, Victoria does not operate a fund for voluntary levies or voluntary contributions. Consequently, The Pharmacy Guild of Australia, Victoria has not invested funds in any assets.

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2013**

	Consolidated	
	2013	2012
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts in the course of operations		
- reporting units and /or controlled entity. Refer Note 15(d)	1,276,703	1,670,109
- other	4,245,907	3,505,385
Payments in the course of operations		
- reporting units and /or controlled entity. Refer Note 15(d)	(1,870,705)	(1,423,272)
- other	(4,110,381)	(3,940,316)
Interest received	32,872	51,980
Net GST paid to Australian Taxation Office	(350,675)	(204,962)
	(776,279)	(341,076)
NET CASH OUTFLOW FROM OPERATING ACTIVITIES		
 CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends from associate, FRED IT Group Pty Ltd	750,000	200,000
Purchase of plant and equipment	(60,022)	(67,894)
Additions to land and building	(69,883)	-
Additions to investment property	(69,883)	-
Security deposit refunded	-	(9,792)
Proceeds on sale of motor vehicles	28,636	10,909
	578,848	133,223
NET CASH INFLOW FROM INVESTING ACTIVITIES		
 CASH FLOWS FROM FINANCING ACTIVITIES		
Funds from non controlling interest	9,144	-
	9,144	-
NET CASH INFLOW FROM FINANCING ACTIVITIES		
Net increase in cash and cash equivalents held	(188,287)	(207,853)
Cash and cash equivalents at beginning of the financial year	1,312,853	1,520,706
	1,124,566	1,312,853
Cash and cash equivalents at the end of the financial year		

The accompanying notes form part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

These consolidated financial statements and notes represent those of The Pharmacy Guild of Australia, Victoria and Controlled Entities (the "consolidated group" or "group").

The Pharmacy Guild of Australia, Victoria is the Victorian branch of an employers organisation (the "branch" or "organisation") which is registered in Australia under the Fair Work (Registered Organisations) Act 2009.

The principal activities of the organisation is to deliver a range of leading professional services which enable members to run a profitable business while servicing the health care needs of their community.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The Pharmacy Guild of Australia, Victoria has elected to early adopt the Australian Accounting Standards – Reduced Disclosure Requirements as set out in *AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010–2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements*.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards– Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the *Fair Work (Registered Organisations) Act 2009*. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of land and buildings and investment property. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial report was authorised for issue on 4 September 2013 by the Branch Executive of the Group.

(a) Principles of consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by The Pharmacy Guild of Australia, Victoria at the reporting date. A controlled entity is any entity over which The Pharmacy Guild of Australia, Victoria has the power to govern the financial and operating policies so as to obtain benefits from its activities. Control will generally exist when the parent owns, directly or indirectly through entities, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are also considered.

A list of controlled entities is contained in Note 20 to the financial statements.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the consolidated group have been eliminated in full on consolidation. Accounting policies of related entities have been changed where necessary to ensure consistency with those adopted by the parent entity.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**(a) Principles of consolidation (cont'd)**

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are shown separately within the equity section of the consolidated statement of financial position and statement of comprehensive income. The non-controlling interests' interest in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

(b) Revenue

Revenue is measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

All membership income is recognised in the appropriate financial year to which the membership relates and Government funded training is recognised on a percentage of completion basis per student.

Interest revenue is recognised as interest accrues using the effective interest rate method.

Dividend revenue is recognised when the right to receive a dividend has been established.

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

(c) Income Tax

The Pharmacy Guild of Australia, Victoria is exempt from income tax under Section 50-15 of the *Income Tax Assessment Act 1936*.

(d) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(e) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks and other short-term highly liquid investments with maturities of three months or less.

(f) Trade and Other Receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*Cont'd*)

(g) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Property

Freehold land and buildings are measured at their fair value, based on annual valuations by external independent valuers.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation surplus in other comprehensive income and accumulated in the revaluation surplus in equity. Revaluation decreases that offset previous increases of the same asset are charged against revaluation surpluses directly in other comprehensive income; all other decreases are charged to the statement of comprehensive income.

Plant and equipment

Plant and equipment is measured at cost less accumulated depreciation and any impairment losses.

The carrying amount of plant and equipment is reviewed annually by the Branch Executive to ensure it is not in excess of the recoverable amount from these assets.

All repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all plant and equipment (excluding freehold land and building), is depreciated on a straight-line basis over the asset's useful life to the Group commencing from the time the asset is held ready for use. Depreciation is recognised in the Statement of Comprehensive Income.

The depreciation rates used for each class of depreciable assets are:

<u>Class of Plant and Equipment</u>	<u>Useful life</u>
Plant and equipment	5 to 15 years
Motor vehicles	6 years

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income.

(h) Investment Property

Investment property represents half of the land and building located at 40 Burwood Road, Hawthorn which is held to generate long term rental yields. The other half of the land and building located at 40 Burwood Road, Hawthorn, is occupied by The Pharmacy Guild of Australia, Victoria and is recognised within the category of property, plant and equipment.

Investment property are measured initially at cost, including transaction costs. Subsequent to initial recognition investment property is stated at fair value, which is based on active market prices as well as an annual valuation by an external independent valuer. The independent valuation is based on a notional net rental on an "in use" basis for this location. Gain or loss arising from a change in the fair value of the investment property is recognised in the statement of comprehensive income in the year in which it arises.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013****NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)****(i) Investment in Associates**

Associate companies are companies in which the Group has significant influence through holding, directly or indirectly, 20% or more of the voting power of the company. Investments in associates are accounted for in the financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Group's share of net assets of the associate company. In addition, the Group's share of the profit or loss of the associate company is included in the Group's profit or loss.

Profits and losses resulting from transactions between the Group and the associate are eliminated to the extent they relate to the Group's investment in the associate.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. Upon the associate subsequently making profits, the Group will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised.

Details of the company's investments in associates are shown at Note 20.

(j) Impairment of Assets

At the end of each reporting period, The Pharmacy Guild of Australia, Victoria assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information, including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(k) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by The Pharmacy Guild of Australia, Victoria during the reporting period which remain unpaid.

The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(l) Unearned and Deferred Revenue

Deferred revenue relates to revenue invoiced, and received, in advance for membership fees which are unearned at year end and are presented as liabilities.

Unearned revenue relates to revenue invoiced, but not received, in advance for membership fees which are unearned at year end and are presented as liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(m) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(n) Employee Benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. 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. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

Contributions are made by the Group to employee superannuation funds and are charged as an expense when incurred.

(o) Financial Instruments

Initial recognition and measurement

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

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss" in which case transaction costs are expensed to the statement of comprehensive income immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(o) Financial Instruments (cont'd)

Classification and subsequent measurement (cont'd)

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

i) Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

ii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Group's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

iii) Available-for-sale investments

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are not expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

iv) Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment

At the end of each reporting period, the Group assesses whether there is objective evidence that a financial asset has been impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence that impairment as a result of one or more events (a "loss event") has occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*Cont'd*)

(o) Financial Instruments (*cont'd*)

Impairment (cont'd)

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance accounts.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Group recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Derecognition

Financial assets are derecognised when the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged or cancelled, or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in the statement of comprehensive income.

(p) Comparative Figures

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

(q) Critical Accounting Estimates and Judgments

The Branch Executive 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 Group.

Key Estimates

Impairment

The Group assesses impairment at the end of each reporting period by evaluating the conditions and events specific to the Group that may be indicative of impairment triggers. Recoverable amounts of land and buildings and investment property are reassessed using the higher of fair value and value-in-use calculations which incorporate various key assumptions.

Key Judgements

Impairment

Key judgements are made in respect of the assessment of the recoverability of trade receivables and the revaluation of the investment property. The Branch Executive have determined that the full amount of trade debtors is recoverable and therefore no provision for impairment has been made. The Branch Executive have also determined that the revaluation of the investment property is reasonable.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

	2013 \$	2012 \$
NOTE 2: REVENUE AND OTHER INCOME		
Revenue		
Membership contributions received by the Branch	2,068,355	2,192,013
Commissions	497,613	516,738
Interest	32,872	51,980
Sundry income	438,686	289,190
Rental income Guild Properties	325,680	323,662
Training income	726,634	904,336
Quality care pharmacy program project income	565,685	524,431
5CPA state based support	179,146	169,001
Capitation fees	-	-
Compulsory levies and voluntary contributions	-	-
Donations and grants	-	-
Other financial support from other reporting units	-	-
Recovery of wages	-	-
Interest received on recovered monies	-	-
	4,834,671	4,971,351
Other Income		
Other rental income	87,120	71,300
(Loss)/ Profit from sale of assets	(3,008)	6,598
(Loss)/ Gain on revaluation of investment property	(19,883)	125,000
	64,229	202,898
Share of profits from joint venture entity	687,187	858,994
Total Income	5,586,087	6,033,243

NOTE 3: PROFIT FOR THE YEAR

Profit for the year has been determined after charging:

Expenses

Capitation fee expense - Membership contributions to National Council	1,216,343	1,274,777
Committee fees and allowances for attendance at meetings and conferences	11,710	13,748
Committee Conference and meeting expenses	-	-
Compulsory levy expense	-	-
Cost of employers making payroll deductions of membership subscriptions	-	-
Fees and periodic subscriptions paid to political parties, federations, congress, organisations or international bodies with interest in industrial matters	-	-
Finance cost	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

	2013 \$	2012 \$
NOTE 3: PROFIT FOR THE YEAR (Cont'd)		
Employee benefits relating to 'Holders of Offices'		
- wages and salaries	340,870	324,498
- superannuation	45,065	61,853
- leave and other entitlements	170,255	111,839
- Branch Committee Allowance	3,300	2,750
- separation and redundancies	-	-
- other employee expenses	-	-
	559,490	500,940
Employee benefits relating to employees 'Other than Holders of Offices'		
- wages and salaries	1,623,028	1,573,605
- superannuation	228,581	238,199
- leave and other entitlements	163,735	167,211
- separation and redundancies	-	-
- other employee expenses	-	-
Total employee benefits	2,015,344	1,979,015
Grants and donations		
- grants	-	-
- donations	59,721	33,595
	59,721	33,595
Purpose of donations / grants greater than \$1,000 disclosed separately in statement lodged under Section 237 of the <i>Fairwork (Registered Organisations) Act 2009</i> .		
Legal expenses		
- litigation	-	-
- other legal matters	8,615	7,311
	8,615	7,311
Penalties - <i>Fair Work (Registered Organisations) Act 2009</i>	-	-
Remuneration of the auditor of the parent entity:		
- audit or review	39,612	39,600
- other services	-	-
	39,612	39,600
<i>Consolidated expenses listed in Note 3 relate solely to the Branch and are disclosed in accordance with Fair Work Australia Reporting Guideline Item 11.</i>		
NOTE 4: CASH AND CASH EQUIVALENTS		
Cash at bank and on hand	1,124,566	1,312,853
NOTE 5: TRADE AND OTHER RECEIVABLES		
Trade receivables	1,533,755	1,604,822
Other receivables	40,243	56,320
Total receivables	1,573,998	1,661,142

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

	2013	2012
	\$	\$
NOTE 6: OTHER ASSETS		
Prepayments	93,174	149,948
Accrued income	315,000	762,586
	408,174	912,534

Included in accrued income is dividends receivable amounting to \$300,000 (2012: \$750,000).

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

Land and buildings at valuation	4,050,000	4,000,000
Plant and equipment at cost	1,164,848	1,123,661
Less accumulated depreciation	(728,088)	(612,635)
	436,760	511,026
Motor vehicles	156,018	199,720
Less accumulated depreciation	(79,425)	(82,480)
	76,593	117,240
Total property, plant and equipment	4,563,353	4,628,266

Movements in carrying amounts:

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

	Land and buildings	Plant and equipment	Motor vehicles	Total
	\$	\$	\$	\$
Balance at 1 July 2011	3,875,000	597,355	114,009	4,586,364
Additions	-	30,083	37,811	67,894
Revaluation	125,000	-	-	125,000
Disposals	-	-	(4,311)	(4,311)
Depreciation expense	-	(116,412)	(30,269)	(146,681)
Balance at 30 June 2012	4,000,000	511,026	117,240	4,628,266
Additions	69,883	41,187	18,835	129,905
Revaluation	(19,883)	-	-	(19,883)
Disposals	-	-	(31,644)	(31,644)
Depreciation expense	-	(115,453)	(27,838)	(143,291)
Balance at 30 June 2013	4,050,000	436,760	76,593	4,563,353

The land and building was independently valued at \$8,100,000 by Charter Keck Cramer. The independent valuation is based on a notional net rental on an "in use" basis for this location. The critical assumptions adopted in determining the valuation included the location of the land and buildings, the current strong demand for land and buildings in the area and recent sales data for similar properties. The valuation resulted in a revaluation decrease of \$18,564 being recognised against the revaluation reserve for the year ended 30 June 2013, after taking into account some building upgrades.

	2013	2012
	\$	\$
NOTE 8: INVESTMENT PROPERTY		
Balance at 1 July	4,000,000	3,875,000
Additions	69,883	-
Net (loss)/ gain from fair value adjustments	(19,883)	125,000
Balance at 30 June	4,050,000	4,000,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

	2013 \$	2012 \$
NOTE 9: INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD		
Investments accounted for using the equity method:		
Investment in joint venture entity, FRED IT Group Pty Ltd	4,331,721	3,944,534

The equity interest in FRED IT Group Pty Ltd is 50.00% (2012: 50.00%) and has been equity accounted.

Movement during the year in equity accounted investment in joint venture entity:

Balance at 1 July	3,944,534	3,835,540
Add: Share of joint venture entity's profit after income tax	687,187	858,994
Less: Dividend revenue from joint venture entity	(300,000)	(750,000)
Balance at 30 June	4,331,721	3,944,534

The investment in FRED IT Group Pty Ltd is higher than the share of the net assets due to premium on acquisition.

The following illustrates summarised financial information relating to the Group's investment in joint venture entity:

Extract from the Joint Venture's Statement of Financial Position

Current Assets	6,128,235	5,254,732
Non-Current Assets	12,807,895	15,511,800
	<u>18,936,130</u>	<u>20,766,532</u>
Current Liabilities	9,072,605	11,322,683
Non-Current	1,955,736	2,310,434
	<u>11,028,341</u>	<u>13,633,117</u>
Net Assets	<u>7,907,789</u>	<u>7,133,415</u>
Share of joint venture entity's net assets (50%) (2012: 50%)	<u>3,953,895</u>	<u>3,566,708</u>

Extract from the Joint Venture's Statement of Comprehensive Income

Revenue	41,697,605	34,518,205
Net Profit after Tax	1,374,374	1,717,987

NOTE 10: TRADE AND OTHER PAYABLES

Current

Trade and other payables		506,000	935,054
Deferred revenue	1 (l)	1,015,775	1,209,637
Unearned revenue	1 (l)	1,216,289	1,117,414
Payables to employers as consideration for the employers making payroll deductions of membership subscriptions		-	-
Payables in respect of legal costs and other expenses related to litigation or other legal matters		-	-
		<u>2,738,064</u>	<u>3,262,105</u>

Non-Current

Security deposit held in trust		53,995	53,995
		<u>2,792,059</u>	<u>3,316,100</u>

Trade and other payables are classified as financial liabilities at amortised cost.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

	2013 \$	2012 \$
NOTE 11: PROVISIONS		
Current		
Employee benefits	316,722	445,929
Non-Current		
Employee benefits	52,628	41,537
Total employee benefits	369,350	487,466
Analysis of total provisions:		
Balance at 1 July	487,466	435,312
Increase/ (Decrease) in provisions during the year	44,565	73,032
Amounts used	(162,681)	(20,878)
Balance at 30 June	369,350	487,466
Provisions are analysed as follows:		
Relating to 'Holders of Offices'		
- Annual leave	9,674	80,514
- Long service leave	2,874	102,250
- Separation and redundancies	-	-
- Other employee provisions	-	-
Relating to employees ('Other than Holders of Offices')		
- Annual leave	132,638	111,746
- Long service leave	224,164	192,956
- Separation and redundancies	-	-
- Other employee provisions	-	-
Total employee benefits	369,350	487,466

No provisions were made for employee benefits relating to Branch Committee (2012: Nil).

No provisions were made for separation and redundancies or other employee provisions. (2012: Nil).

Provision for Employee Benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Branch does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits have been discussed in Note 1(n).

NOTE 12: CAPITAL AND LEASING COMMITMENTS

There were no capital or leasing commitments as at 30 June 2013 (30 June 2012: Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 13: CONTINGENT LIABILITIES AND ASSETS

There were no contingent liabilities or assets as at 30 June 2013 (30 June 2012: Nil).

NOTE 14: EVENTS AFTER THE REPORTING PERIOD

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

NOTE 15: RELATED PARTY DISCLOSURES

(a) Director and Executive Disclosures

The following persons held positions on the Branch Committee or were Directors during the reporting period:

The Pharmacy Guild of Australia, Victoria

G Tambassis (President), D R Sanghvi (Director of Goldcross Products & Services Pty Ltd, Guild Group Holdings Limited, Guild Financial Services Limited, Guild Insurance Limited, Guild Trustee Services Pty Limited, the trustee of the Guild Retirement Fund and Meridian Lawyers Limited), R J C Foster (Branch Committee and Director), K Gray, S Hall, P Krassaris, R Kilpatrick, D McLean, A Pricolo, T E Riley, B R Robertson, W J Scott (Branch Committee and Director), A Tassone, M V Sheehan (Branch Director - part year) and A J Crosthwaite (Branch Director - part year).

FRED IT Group Pty Limited -

W J Scott (Director FRED IT Group Pty Limited), R J C Foster (Director FRED IT Group Pty Limited).

All Related Party transactions are at arm's length.

	2013	2012
	\$	\$
(b) Balances with Related Parties		
(i) Amounts payable to Related Parties:		
<i>Amounts included in Trade and other payables - Note 10</i>		
The Pharmacy Guild of Australia (National Secretariat)	11,986	51,852
The Pharmacy Guild of Australia (NSW)	33,220	177,508
The Pharmacy Guild of Australia (Queensland)	16,915	119,387
The Pharmacy Guild of Australia (ACT)	1,977	2,961
The Pharmacy Guild of Australia (SA)	5,413	58,740
The Pharmacy Guild of Australia (Tasmania)	3,285	20,354
The Pharmacy Guild of Australia (NT)	1,008	7,970
The Pharmacy Guild of Australia (WA)	5,682	47,708
	79,486	486,480
(ii) Amounts Receivable from Related Parties:		
<i>Amounts included in Trade Receivables - Note 5</i>		
The Pharmacy Guild of Australia (National Secretariat)	25,424	120,394
The Pharmacy Guild of Australia (NSW)	1,869	2,069
Guild Pharmacy Academy	8,292	342
Gold Cross Products and Services Pty Ltd	34,400	35,200
<i>Other Related Parties - Current</i>		
Guild Insurance & Financial Services Ltd	39,150	53,488
	109,135	211,493

Related parties outstanding balances at year end are unsecured, interest free and settlement occurs in cash.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

	2013	2012
	\$	\$
NOTE 15: RELATED PARTY DISCLOSURES (Cont'd)		
(c) Transactions with Related Parties		
The following transactions took place with related parties during the reporting period:		
<i>Membership contributions paid by Victorian Branch</i>		
The Pharmacy Guild of Australia National Secretariat	1,216,343	1,274,777
Terms: 58.81% (2012: 58.72%) of gross membership fees received.		
 <i>Share of dividends received from Pharmacy Computers Australia Pty Ltd</i>		
The Pharmacy Guild of Australia National Secretariat	7,500	18,750
The Pharmacy Guild of Australia (NSW)	33,220	87,336
The Pharmacy Guild of Australia (Queensland)	16,915	47,368
The Pharmacy Guild of Australia (ACT)	1,977	2,961
The Pharmacy Guild of Australia (SA)	5,413	13,322
The Pharmacy Guild of Australia (Tasmania)	3,285	1,480
The Pharmacy Guild of Australia (WA)	5,682	16,283
The Pharmacy Guild of Australia (NT)	1,008	-
	75,000	187,500
Terms: 25% of the dividends received / receivable from Pharmacy Computers Australia Pty Ltd by the Branch are apportioned as follows: 10% to The Pharmacy Guild of Australia National Secretariat and the balance to other Branches pro-rata based on sales by State.		
 Other Related Parties		
<i>Pharmacy Computers Australia Pty Ltd</i>		
Dividends received	300,000	750,000
 Subsidiaries of the Pharmacy Guild of Australia		
<i>Gold Cross Products and Services Pty Ltd</i>		
Commission paid to Victorian Branch for distribution of its material		
Terms: Based on membership % applied to gross Division income	140,553	127,918
 <i>Guild Insurance Company Ltd.</i>		
Commission received from Guild Insurance for business referred from Victorian Branch members		
Terms: Percentage of business received. Calculated on normal commercial terms	348,595	372,723
Building costs & maintenance paid by Victorian Branch to Guild Properties Victoria Unit Trust		
Terms: Normal commercial terms	115,773	124,869

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

	2013 \$	2012 \$
NOTE 15: RELATED PARTY DISCLOSURES (Cont'd)		
(d) Cashflow Movements with Related Parties		
(i) Receipts from Related Parties		
<i>Other Branches</i>		
The Pharmacy Guild of Australia (National Secretariat)	642,635	1,018,443
The Pharmacy Guild of Australia (ACT)	1,336	-
The Pharmacy Guild of Australia (NSW)	10,488	14,266
The Pharmacy Guild of Australia (NT)	1,036	-
The Pharmacy Guild of Australia (Queensland)	4,009	-
The Pharmacy Guild of Australia (SA)	1,336	-
The Pharmacy Guild of Australia (Tasmania)	1,036	-
The Pharmacy Guild of Australia (WA)	1,036	-
Guild Pharmacy Academy	79,326	103,200
Gold Cross Products and Services Pty Ltd	151,020	119,944
Guild Insurance & Financial Services Ltd	383,445	414,256
	<u>1,276,703</u>	<u>1,670,109</u>
(ii) Payments to Related Parties		
<i>Other Branches</i>		
The Pharmacy Guild of Australia (National Secretariat)	1,432,939	1,419,217
The Pharmacy Guild of Australia (ACT)	2,961	1,125
The Pharmacy Guild of Australia (NSW)	177,790	1,300
The Pharmacy Guild of Australia (NT)	7,970	-
The Pharmacy Guild of Australia (Queensland)	120,512	1,630
The Pharmacy Guild of Australia (SA)	58,869	-
The Pharmacy Guild of Australia (Tasmania)	21,956	-
The Pharmacy Guild of Australia (WA)	47,708	-
	<u>1,870,705</u>	<u>1,423,272</u>

NOTE 16: KEY MANAGEMENT PERSONNEL COMPENSATION

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of that Group is considered key management personnel.

The totals of remuneration paid to key management personnel of the branch during the year are as follows:

Key management personnel compensation	<u>559,490</u>	<u>500,940</u>
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

	2013	2012
	\$	\$
NOTE 17: FINANCIAL RISK MANAGEMENT		
(a) Financial Instruments		
Financial instruments consist mainly of deposits with banks, accounts receivable and payable. The carrying amounts 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:		
Financial Assets		
Cash and cash equivalents	1,124,566	1,312,853
Trade and other receivables	1,573,998	1,661,142
Other assets	315,000	762,586
Total Financial Assets	3,013,564	3,736,581
Financial Liabilities		
Trade and other payables	2,792,059	3,316,100
Total Financial Liabilities	2,792,059	3,316,100
Net Fair Values	221,505	420,481

Prepayments are not regarded as a financial asset.

(b) Economic Dependency

The parent entity is financially dependent on receiving profits and dividend streams from its joint venture entity FRED IT Group Pty Ltd.

Profit attributable to members of the parent entity	246,698	742,748
Less		
Share of profit from joint venture entity (FRED IT Group Pty Ltd)	687,187	858,994
Less allocation of profits to Branches - Note 15(c)	(75,000)	(187,500)
	612,187	671,494
Profit / (Loss) attributable to members of the parent entity after excluding transactions associated with FRED IT Group Pty Ltd	(365,489)	71,254

The share of profit equity accounted for by the Group from FRED IT Group Pty Ltd was \$687,187 at 30 June 2013 (2012: \$858,994). The 2013 dividend proposed to be paid by FRED IT Group Pty Ltd and recognised in Note 6 and Note 9 is \$300,000 (2012: \$750,000).

NOTE 18: RESERVES**Revaluation Reserve**

The revaluation reserve records the revaluations of non-current assets. Details of the movement in revaluation reserve is disclosed in the statement of changes in equity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

	2013 \$	2012 \$
NOTE 19: PARENT ENTITY INFORMATION		
The following information has been extracted from the books and records of the parent and has been prepared in accordance with Australian Accounting Standards.		
STATEMENT OF FINANCIAL POSITION		
Assets		
Current assets	7,263,462	7,656,066
Non current assets	8,251,156	8,272,702
Total assets	<u>15,514,618</u>	<u>15,928,768</u>
Liabilities		
Current liabilities	3,054,806	3,708,055
Non current liabilities	106,623	95,532
Total liabilities	<u>3,161,429</u>	<u>3,803,587</u>
Net assets	<u>12,353,189</u>	<u>12,125,181</u>
Equity		
Accumulated funds	9,142,249	8,876,988
Asset revaluation reserve	3,210,940	3,248,193
Total equity	<u>12,353,189</u>	<u>12,125,181</u>
STATEMENT OF COMPREHENSIVE INCOME		
Total (loss) / profit	265,260	626,263
Other comprehensive income		
Fair value revaluation of investment in The Guild Properties (Victoria) Unit Trust	(37,253)	233,416
Total comprehensive income	<u>228,007</u>	<u>859,679</u>

There were no guarantees, contingent liabilities or contractual commitments.

NOTE 20: CONTROLLED ENTITIES CONSOLIDATED

	Country of Incorporation	Percentage Owned (%)	
		2013	2012
Subsidiaries or Associated Entities of The Pharmacy Guild of Australia, Victoria			
Pharmacy Computers Australia Pty Ltd	Australia	100%	100%
The Guild (Victoria) Computer Unit Trust	Australia	100%	100%
The Guild Properties (Victoria) Unit Trust	Australia	93%	93%
Joint Venture Entity of The Pharmacy Guild of Australia, Victoria			
FRED IT Group Pty Ltd	Australia	50%	50%

The Branch has 100% ownership of Pharmacy Computers Australia Pty Ltd as trustee for The Guild (Victoria) Computer Unit Trust. Investment in FRED IT Group Pty Ltd is directly held by Pharmacy Computers Australia Pty Ltd.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013****NOTE 21: OTHER INFORMATION REQUIRED FOR PURPOSES OF SECTION 253 FAIR WORK
(REGISTERED ORGANISATIONS) ACT 2009****a) General Requirements for Presentation and Disclosure****i) Financial Support**

The Branch's ability to continue as a going concern is not reliant on the agreed financial support of another reporting unit(s). However, refer paragraph 17 (b) - Economic Dependency.

The Branch has not agreed to provide financial support to ensure another reporting unit(s) has the ability to continue as a going concern.

ii) Assets and Liabilities Acquired

The Branch has not acquired an asset or a liability during the financial year as a result of:

a) an amalgamation under Part 2 of Chapter 3, of the RO Act in which the organisation (of which the reporting unit forms part) was the amalgamated organisation; or

b) a restructure of the branches of the organisation; or

c) a determination by the General Manager under subsection 245(1) of the RO Act of an alternative reporting structure for the organisation; or

d) a revocation by the General Manager under subsection 249(1) of the RO Act of a certificate issued to an organisation under subsection 245(1).

The Branch has not acquired an asset or a liability during the financial year as part of a business combination.

b) Statement of Changes in Equity

There were no other funds or accounts operated by the Branch other than the general fund of the Branch during the financial year (2012: Nil).

c) Recovery Of Wages Activity

The Pharmacy Guild of Australia, Victoria has not undertaken any recovery of wages activity during the financial year ending 30 June 2013.

NOTE 22: INFORMATION TO BE PROVIDED TO MEMBERS OR GENERAL MANAGER

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

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

NOTE 23: BRANCH DETAILS

The registered office and principal place of business is:

40 Burwood Road, Hawthorn VIC 3122

Phone: (03) 98109999

Fax: (03) 98192542

Website: www.guild.org.au/vic

Email: info@vic.guild.org.au

**THE PHARMACY GUILD OF AUSTRALIA
VICTORIA**

OPERATING REPORT

I, GEORGE TAMBASSIS, being the designated officer responsible for preparing this report for the financial year ended 30 June 2013 of The Pharmacy Guild of Australia, Victoria, report as follows:

(a) *Principal Activities:*

- (i) The Pharmacy Guild of Australia, Victoria is an employers' organisation servicing the needs of proprietors of independent community pharmacies and to represent their interests in industrial matters.
- (ii) The Pharmacy Guild of Australia, Victoria assists the National Council and the National Executive of The Pharmacy Guild of Australia ("the Guild") in carrying out the overall policy and objectives of the Guild.
- (iii) Included in the Annual Report are the various reports compiled by The Pharmacy Guild of Australia, Victoria's Branch President, Director and Officers outlining the activities for the financial year. There were no significant changes in the nature of these activities during the financial year under review.

(b) *Significant Financial Changes:*

There have been no significant changes in The Pharmacy Guild of Australia, Victoria financial affairs during the period to which this report relates.

(c) *Members Advice:*

- (i) under Section 174 of the *Fair Work (Registered Organisations) Act 2009* and Rule 36 of the rules of the Guild, a member may resign from membership by written notice addressed and delivered to the Branch Director;
- (ii) the register of members of the organisation was maintained in accordance with the *Fair Work (Registered Organisations) Act 2009*; and
- (iii) Section 272 of the *Fair Work (Registered Organisations) Act 2009* outlines members and the General Manager's rights to certain prescribed information.

(d) *Prescribed and other Information:*

- (i) As at 30 June 2013, to which this report relates, the number of members of the organisation were 849, including honorary life members.
- (ii) As at 30 June 2013, the total number of employees employed by the reporting entity was 26.
- (iii) During the reporting period, the following persons were members of the Branch Committee :

Mr G Tambassis (President)	Mr B R Robertson (Vice - President Finance)	
Mr R J C Foster	Mr D McLean	Mr A Tassone
Mr K Gray	Mr A Pricolo	
Mr S Hall	Ms T E Riley	
Mr R Kilpatrick	Mr D R Sanghvi	
Mr P Krassarlis	Mr W J Scott	
- (iv) During the reporting period, the following member of the Branch Committee was a Director of Guild Trustee Services Pty Limited, the Trustee of the Guild Retirement Fund, which includes Guild Super and Guild Pension: D R Sanghvi (appointed 1 January 2013).
- (v) During the reporting period, the following member of the Branch Committee was a Director of Guild Group Holdings Limited, a holding company, because he is a National Councillor : D R Sanghvi.
- (vi) During the reporting period, the following member of the Branch Committee was a Director of Guild Financial Services Limited, a company that provides financial planning and superannuation advice, because he is a National Councillor : D R Sanghvi.
- (vii) During the reporting period, the following member of the Branch Committee was a Director of Guild Insurance Limited, a general insurance underwriting company, because he is a National Councillor : D R Sanghvi.
- (viii) During the reporting period, the following member of the Branch Committee was a Director of Meridian Lawyers Limited, a company that provides legal services, because he is a National Councillor : D R Sanghvi (appointed 27 March 2013).
- (ix) During the reporting period, the following member of the Branch Committee was a Director of Gold Cross Products and Services Pty Limited, a company that markets products and services to pharmacies, because he is a National Councillor : D R Sanghvi.

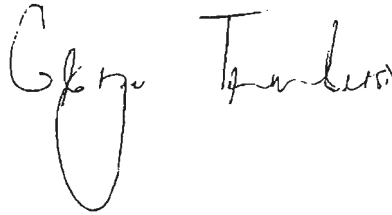
THE PHARMACY GUILD OF AUSTRALIA VICTORIA

OPERATING REPORT

- (x) During the reporting period, the following members of the Branch Committee were Directors FRED IT Group Pty Limited, a company that provides software, hardware and internet support to pharmacies, because they represent the Branch Committee of The Pharmacy Guild of Australia, Victorian Branch and their part ownership in this company : W J Scott and R J C Foster.
 - (xi) During the reporting period, no other officer or employee was a Trustee of a superannuation scheme or a director of a company.
- (e) *Insurance of Officers:*
During the financial year, The Pharmacy Guild of Australia, Victoria paid insurance to cover all officers of The Pharmacy Guild of Australia, Victoria. The officers of The Pharmacy Guild of Australia, Victoria covered by the insurance policy include all the committee of management. Other officers covered by the contract are the management of The Pharmacy Guild of Australia, Victoria. The liabilities insured include costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of The Pharmacy Guild of Australia, Victoria.

GEORGE TAMBASSIS

4 September 2013



**THE PHARMACY GUILD OF AUSTRALIA
VICTORIA****COMMITTEE OF MANAGEMENT STATEMENT**

On 4 September 2013, the Committee of Management of The Pharmacy Guild of Australia, Victoria passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30 June 2013.

The Committee of Management declares in relation to the GPFR that, in its opinion:

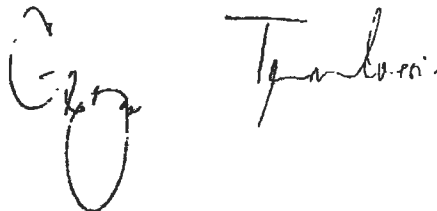
- (a) the financial statements and notes comply with the Australian Accounting Standards – Reduced Disclosure Requirements;
- (b) the financial statements and notes comply with the reporting guidelines of the General Manager of Fair Work Australia except as noted in paragraph (a);
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of The Pharmacy Guild of Australia, Victoria for the financial year to 30 June 2013;
- (d) there are reasonable grounds to believe that The Pharmacy Guild of Australia, Victoria will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the GPFR relates and since the end of that financial year:
 - (i) meetings of the committee of management were held in accordance with the rules of the organisation, including the rules of The Pharmacy Guild of Australia, Victoria Branch;
 - (ii) the financial affairs of The Pharmacy Guild of Australia, Victoria have been managed in accordance with the rules of the organisation, including the rules of The Pharmacy Guild of Australia, Victoria Branch;
 - (iii) the financial records of The Pharmacy Guild of Australia Victorian Branch have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009 and the Fair Work (Registered Organisations) Regulations 2009;
 - (iv) 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;
 - (v) the information sought in any request of a member of The Pharmacy Guild of Australia, Victoria or the General Manager duly made under section 272 of the Fair Work (Registered Organisations) Act 2009 has been furnished or made available to the member or General Manager of Fair Work Australia; and
 - (vi) no orders have been made by the Commission under section 273 of the Fair Work (Registered Organisations) Act 2009 during the financial year.
- (f) The Pharmacy Guild of Australia, Victoria has not undertaken any recovery of wages activity during the financial year ending 30 June 2013.

GEORGE TAMBASSIS

Designated Officer:

BRANCH PRESIDENT

4 September 2013





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Independent auditor's report to the members of The Pharmacy Guild of Australia – Victoria

We have audited the accompanying financial report of The Pharmacy Guild of Australia – Victoria (The Guild), which comprises the statements of financial position as at 30 June 2013, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the financial year ended on that date, a summary of significant accounting policies, other explanatory notes and the Committee of Management Statement of The Guild and the consolidated entity comprising The Guild and the entities it controlled at the financial year's end or from time to time during the financial year.

Branch Committee Members' Responsibility for the Financial Report

The Branch Committee Members of the Guild are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and *Fair Work (Registered Organisations) Act 2009* and for such internal controls as the Branch Committee Members determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. The Branch Committee Members have obtained approval from *FairWork Australia* to prepare a consolidated financial report of The Pharmacy Guild of Australia – Victoria.

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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 our judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls 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 controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Branch Committee Members, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit we have complied with the independence requirements of the Australian professional accounting bodies.



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Opinion

In our opinion:

- (a). the financial report presents fairly, in all material respects, the financial positions of the Guild and the consolidated entity as of 30 June 2013 and their financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and *Fair Work (Registered Organisations) Act 2009*;
- (b). the financial report complies with the requirements imposed by the Fair Work Reporting Guidelines; and
- (c). management's use of the going concern basis of accounting in the preparation of the Guild's financial statements is appropriate.

Ernst & Young

Ernst & Young

Fiona M Campbell

Fiona M Campbell
Melbourne
4 September 2013

RCA 320131
FCA 89049