FairWork Commission

28 October 2014

Anthony Tassone
Branch President
Pharmacy Guild of Australia, Victoria
Guild House, 40 Burwood Road
Hawthorn VIC 3122

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

Dear Mr Tassone

Pharmacy Guild of Australia, Victorian Branch
Financial Report for the year ended 30 June 2014 - FR2014/112

I acknowledge receipt of the financial report for the year ended 30 June 2014 for the Pharmacy Guild of Australia, Victorian Branch (PGA-VIC). The financial report was lodged with the Fair Work Commission (FWC) on 29 September 2014.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged.

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

K. Morgan

Ken Morgan
Financial Reporting Advisor
Regulatory Compliance Branch

The Pharmacy
Guild of Australia

I, Anthony Tassone, 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 2013 and ending 30 June 2014 were made available to members free of charge on 2 September 2014.
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 2014 and are as presented at the Annual General meeting of the Pharmacy Guild of Australia, Victoria, on 23 September 2014.

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President
The Pharmacy Guild of Australia, Victoria

25 September 2014

Victoria
'Guild House' Level 2, 40 Burwood Road Hawthorn VIC 3122
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THE PHARMACY GUILD OF AUSTRALIA, VICTORIA

ABN 35 603 508 734

GENERAL PURPOSE FINANCIAL REPORT
For the year ended 30 June 2014

Contents

Statement of profit or loss and other comprehensive income

For the year ended 30 June 2014

	Note	CONSOLIDATED 2014 $	CONSOLIDATED 2013 $	PARENT 2014 $	PARENT 2013 $
INCOME					
Revenue	5	4,462,618	4,834,671	4,553,883	5,121,343
Share of profit from joint venture entity	5	205,564	687,187	-	-
Gain on divestment of investment		7,172,214	-	-	-
Gain/(loss) on revaluation of investment property		616,233	(19,883)	-	-
Other income	5	94,787	84,112	411,652	771,226
		12,551,416	5,586,087	4,965,535	5,892,569
PROJECT PAYMENTS AND OTHER EXPENSES					
Administration		(480,820)	(1,018,412)	(732,426)	(1,306,730)
Building outgoings		(145,778)	(131,321)	(145,778)	(129,852)
Committee fees and allowances		(10,680)	(14,110)	(10,680)	(14,110)
Depreciation		(131,244)	(143,291)	(131,244)	(143,291)
Employee benefit expenses		(2,238,688)	(2,146,534)	(2,238,688)	(2,146,534)
Legal and professional fees		(121,323)	(90,013)	(99,127)	(90,013)
Membership contributions to National Council		(1,289,772)	(1,216,343)	(1,289,772)	(1,216,343)
National Secretariat and Branch contributions		75,000	(75,000)	75,000	(75,000)
Public relations		(60,496)	(80,345)	(60,496)	(84,414)
Superannuation		(279,255)	(273,646)	(279,255)	(273,646)
Travelling expenses		(127,874)	(151,693)	(127,874)	(147,374)
		(4,810,930)	(5,340,708)	(5,040,340)	(5,627,307)
PROFIT/(LOSS) BEFORE INCOME TAX	7	7,740,486	245,379	(74,805)	265,262
Income tax expense	6	(1,305,948)	-	-	-
PROFIT/(LOSS) FOR THE YEAR	7	6,434,538	245,379	(74,805)	265,262
OTHER COMPREHENSIVE INCOME					
Other comprehensive income to be reclassified to profit or loss in subsequent periods:					
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		-	-	-	-
Other comprehensive (loss)/income not to be reclassified to profit or loss in subsequent periods:					
Fair value revaluation of land and buildings		-	(19,883)	-	-
Fair value revaluation of investment in The Guild Properties (Victoria) Unit Trust		-	-	573,140	(37,253)
Net other comprehensive (loss)/income not to be reclassified to profit or loss in subsequent periods		-	(19,883)	573,140	(37,253)
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR		-	(19,883)	573,140	(37,253)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		6,434,538	225,496	498,335	228,009

Statement of profit or loss and other comprehensive income (continued)

For the year ended

	CONSOLIDATED		PARENT	
	2014	2013	2014	2013
	$	$	$	$
Profit/(loss) attributable to:				
Members of the parent entity	6,393,681	246,698	(74,805)	265,262
Non-controlling interest	40,857	(1,319)	-	-
	6,434,538	245,379	(74,805)	265,262
Other comprehensive (loss)/income attributable to:				
Members of the parent entity	-	(18,564)	573,140	(37,253)
Non-controlling interest	-	(1,319)	-	-
	-	(19,883)	573,140	(37,253)
Total comprehensive income/(loss) attributable to:				
Members of the parent entity	6,393,681	228,134	498,335	228,009
Non-controlling interest	40,857	(2,638)	-	-
	6,434,538	225,496	498,335	228,009

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Statement of financial position

As at 30 June 2014

	Note	CONSOLIDATED 2014 $	CONSOLIDATED 2013 $	PARENT 2014 $	PARENT 2013 $
CURRENT ASSETS					
Cash and cash equivalents	8	7,774,720	1,124,566	1,561,323	1,123,233
Trade and other receivables	9	1,169,533	1,573,998	1,395,621	1,573,998
Other assets	10	2,542,061	408,174	233,965	408,174
TOTAL CURRENT ASSETS		11,486,314	3,106,738	3,190,909	3,105,405
NON-CURRENT ASSETS					
Investment in subsidiary		-	-	175,000	175,000
Property, plant and equipment	11	489,441	4,563,353	489,441	513,353
Investment property	12	8,750,000	4,050,000	-	-
Investment accounted for using the equity method	13	3,447,769	4,331,721	-	-
Investment in The Guild Properties (Victoria) Unit Trust		-	-	8,169,688	7,562,783
Present entitlement receivable from The Guild (Victoria) Computer Unit Trust		-	-	4,774,919	4,158,054
TOTAL NON-CURRENT ASSETS		12,687,210	12,945,074	13,609,048	12,409,190
TOTAL ASSETS		24,173,524	16,051,812	16,799,957	15,514,595
CURRENT LIABILITIES					
Trade and other payables	14	3,109,588	2,738,064	3,515,387	2,738,062
Income tax payable		1,305,948	-	-	-
Employee benefit liabilities	15	315,359	316,722	315,359	316,722
TOTAL CURRENT LIABILITIES		4,730,895	3,054,786	3,830,746	3,054,784
NON-CURRENT LIABILITIES					
Trade and other payables	14	53,995	53,995	53,995	53,995
Employee benefit liabilities	15	63,693	52,628	63,693	52,628
TOTAL NON-CURRENT LIABILITIES		117,688	106,623	117,688	106,623
TOTAL LIABILITIES		4,848,583	3,161,409	3,948,434	3,161,407
NET ASSETS		**19,324,941**	**12,890,403**	**12,851,523**	**12,353,188**
EQUITY					
Accumulated funds		12,853,887	10,927,688	9,067,443	9,142,248
Reserves		5,893,106	1,425,624	3,784,080	3,210,940
Parent interests		18,746,993	12,353,312	12,851,523	12,353,188
Non-controlling interest		577,948	537,091	-	-
TOTAL EQUITY		**19,324,941**	**12,890,403**	**12,851,523**	**12,353,188**

There is no material impact on the opening statement of financial position as a result of applying AASB 1. Therefore, the Group did not prepare a separate statement of financial position as at 1 July 2012.

The above statement of financial position should be read in conjunction with the accompanying notes.

Statement of changes in equity

For the year ended 30 June 2014

CONSOLIDATED	*Revaluation reserves (note 20)* **$**	*Income reserve - capital gain (note 20)* **$**	*Accumulated funds* **$**	*Sub-total* **$**	*Non-controlling interest* **$**	*Total* **$**
At 1 July 2012	1,444,188	-	10,680,990	12,125,178	530,585	12,655,763
Units issued to non-controlling interest	-	-	-	-	9,144	9,144
Profit/(loss) for the year	-	-	246,698	246,698	(1,319)	245,379
Other comprehensive loss	(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
Profit for the year	-	-	6,393,681	6,393,681	40,857	6,434,538
Transfer within equity (Note12(b))	(1,425,624)	-	1,425,624	-	-	-
Transfer of undistributed capital gain (Note 20)	-	5,893,106	(5,893,106)	-	-	-
At 30 June 2014	-	5,893,106	12,853,887	18,746,993	577,948	19,324,941

PARENT	*Revaluation reserves (note 20)* *$*	*Accumulated funds* *$*	*Total* *$*
At 1 July 2012	3,248,193	8,876,986	12,125,179
Profit for the year	-	265,262	265,262
Other comprehensive loss	(37,253)	-	(37,253)
At 30 June 2013	3,210,940	9,142,248	12,353,188
Loss for the year	-	(74,805)	(74,805)
Other comprehensive income	573,140	-	573,140
At 30 June 2014	3,784,080	9,067,443	12,851,523

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 any voluntary funds in any assets.

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of cash flows
For the year ended 30 June 2014

	Note	CONSOLIDATED 2014 $	CONSOLIDATED 2013 $	PARENT 2014 $	PARENT 2013 $
Operating activities					
Receipts in the course of operations					
- reporting units and /or controlled entity	17(d)	1,202,261	1,276,703	1,202,261	1,276,703
- other		3,651,295	2,013,843	3,602,098	1,549,421
Payments in the course of operations					
- reporting units and /or controlled entity	17(d)	(1,543,503)	(1,870,705)	(1,543,503)	(1,870,705)
- other		(2,619,917)	(1,878,318)	(2,431,261)	(1,481,326)
Interest received		183,025	32,872	22,688	31,293
Net GST paid to Australian Taxation Office		(346,388)	(350,675)	(273,096)	(281,593)
Net cash flows from/(used in) operating activities	16	526,773	(776,280)	579,187	(776,207)
Investing activities					
Dividends from associate, FRED IT Group Pty Ltd		-	750,000	-	750,000
Gain on partial disposal of investment in FRED IT Group Pty Ltd		6,264,480	-	-	-
Purchase of plant and equipment		(121,347)	(60,022)	(121,347)	(60,022)
Proceeds on sale of plant and equipment		14,015	28,636	14,015	28,636
Additions to land and building		-	(69,883)	-	-
Additions to investment property		(33,767)	(69,883)	-	-
Investment in controlled entity		-	-	(33,765)	(130,621)
Net cash flows from/(used in) investing activities		6,123,381	578,848	(141,097)	587,993
Financing activities					
Funds from non controlling interest		-	9,145	-	-
Net cash flows from financing activities		-	9,145	-	-
Net increase/(decrease) in cash and cash equivalents		6,650,154	(188,287)	438,090	(188,214)
Cash and cash equivalents at beginning of the year		1,124,566	1,312,853	1,123,233	1,311,447
Cash and cash equivalents at the end of the year	8	7,774,720	1,124,566	1,561,323	1,123,233

The above statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the financial statements
For the year ended 30 June 2014

1 CORPORATE INFORMATION

These 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 registered office and principal place of business of the Branch is 40 Burwood Road, Hawthorn VIC 3122.

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.

The financial report was authorised for issue on 2 September 2014 by the Branch Executive of the Group.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The Branch is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial report also complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

For all periods up to and including the year ended 30 June 2013, the Group prepared its financial statements in accordance with Australian generally accepted accounting principles (Australian GAAP). These financial statements for the year ended 30 June 2014 are the first the Group has prepared in accordance with IFRS. Refer to Note 2(b) for information on how the Group adopted IFRS.

The financial statements have been prepared on a historical cost basis, except for investment properties, land and buildings classified as property, plant and equipment, long service leave, annual leave and equity accounted investments in associates. The financial report is presented in Australian dollars and all values are rounded to the nearest dollar ($), except when otherwise indicated.

(b) First time adoption of IFRS

These financial statements, for the year ended 30 June 2014, are the first the Group has prepared in accordance with IFRS. For periods up to and including the year ended 30 June 2013, the Group prepared its financial statements in accordance with Australian generally accepted accounting principles (Australian GAAP).

Accordingly, the Group has prepared financial statements which comply with IFRS applicable for periods ending on or after 30 June 2014, together with the comparative period data as at and for the year ended 30 June 2013, as described in the summary of significant accounting policies. There is no material impact on the opening statement of financial position as a result of the transition. Therefore, the Group did not prepare the statement of financial position as at 1 July 2012.

Notes to the financial statements (continued)
For the year ended 30 June 2014

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) First time adoption of IFRS (continued)

The Group has applied the requirements of IFRS 1 First-time Adoption of International Financial Reporting Standards in its general purpose financial report for the year ended 30 June 2014 in order to make an explicit and unreserved statement of compliance with IFRS as issued by the International Accounting Standards Board (IASB) in the notes to the financial statements.

The Group also believes that they are able to apply the requirements of AASB 1 in the same financial statements as it has not prepared a general purpose financial report in the past. This enables the Group to make a simultaneous statement of compliance with both Australian Accounting Standards and International Financial Reporting Standards as issued by the AASB/IASB.

No elections were applied nor did any of the other exceptions in IFRS 1 and AASB 1 apply to the Group, and as a result, the Group has determined that the application of these standards had no material impact on the general purpose financial report for the year ended 30 June 2014.

IFRS 1 allows first-time adopters certain exemptions from the retrospective application of certain requirements under IFRS. The Group has not applied any exemptions.

Leases

The Group has applied the transitional provision in IFRIC 4 *Determining whether an Arrangement Contains a Lease* and has assessed all arrangements based upon the conditions in place as at the date of transition

(c) Changes in accounting policy, disclosure, standards and interpretations

(i) Changes in accounting policies, new and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year.

The Group has adopted the following new and amended Australian Accounting Standards and AASB Interpretations as of 1 July 2013:

- AASB 13 *Fair Value Measurement*
- AASB 101 *Presentation of Items of Other Comprehensive Income – Amendments to AASB 101*
- AASB 119 *Employee Benefits (Revised 2011)*

The adoption of the above new and amended Australian Accounting Standards and AASB Interpretations do not have any material impact on the financial statements of the Group except as follows:

AASB 13 Fair Value Measurement

AASB 13 establishes a single source of guidance under Australian Accounting Standards for all fair value measurements. AASB 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under Australian Accounting Standards. AASB 13 defines fair value as an exit price. As a result of the guidance in AASB 13, the Group re-assessed its policies for measuring fair values, in particular, its valuation inputs. AASB 13 also requires additional disclosures.

Application of AASB 13 has not materially impacted the fair value measurements of the Group. Additional disclosures where required, are provided in the individual notes relating to the investment properties whose fair values were determined. Fair value hierarchy is provided in Note 3.

Notes to the financial statements (continued)

For the year ended 30 June 2014

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Changes in accounting policy, disclosure, standards and interpretations (continued)

AASB 101 Presentation of Items of Other Comprehensive Income – Amendments to AASB 101

The amendments to AASB 101 introduce a grouping of items presented in other comprehensive income (OCI). Items that will be reclassified ('recycled') to profit or loss at a future point in time have to be presented separately from items that will not be reclassified. The amendments affect presentation only and have no impact on the Group's financial position or performance.

Several other amendments apply for the first time in 2013/2014. However, they do not impact the annual financial statements of the Group.

(ii) Accounting standards and interpretations issued but not yet effective

Certain Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Group for the annual reporting period ended 30 June 2014. The directors have not early adopted any of these new or amended standards or interpretations. The directors have not yet fully assessed the impact of these new or amended standards (to the extent relevant to the Group) and interpretations.

(d) Principles of consolidation

The 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 21 to the financial statements.

In preparing the 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.

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 statement of financial position and statement of profit or loss and other 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.

(e) Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

Notes to the financial statements (continued)

For the year ended 30 June 2014

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Current versus non-current classification (continued)

All other assets are classified as non-current. A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

(f) 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.

(i) Membership income

All membership income is recognised in the appropriate financial year to which the membership relates.

(ii) Student fees charges

Government funded training is recognised on nominal hours completed per student. Where student fees and charges revenue has been received in respect of a course or programs to be delivered in the following year, any non-refundable portion of the fees is treated as revenue in the year of receipt and the balance as Revenue in Advance.

(iii) Fees for service

Fees for service revenue are recognised by reference to the percentage of completion of each contract, i.e. in the reporting period in which the services are rendered. Where fee for services revenue of a reciprocal nature has been received in respect of programs or services to be delivered in the following year, such amounts are disclosed as Revenue in Advance.

(iv) Interest income

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

(v) Dividend income

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

(vi) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

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

Notes to the financial statements (continued)

For the year ended 30 June 2014

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Investment in subsidiary

Investments in subsidiaries held by the Branch are accounted for at cost less any impairment charges. Dividends received from subsidiaries are recorded as a component of other income, and do not impact the recorded cost of the investment. Upon receipt of dividend payments from subsidiaries, the parent will assess whether any indicators of impairment of the carrying value of the investment in the subsidiary exist. Where such indicators exist, to the extent that the carrying value of the investment exceeds its recoverable amount, an impairment loss is recognised.

(h) Income tax

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

The Branch controls an entity which is liable to pay tax, as they are a public trading trust for tax purposes, and hence pay tax at the company tax rate of 30%.

(i) 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.

(j) 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.

(k) 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.

(l) 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. Such cost includes the cost of replacing part of the property, plant and equipment if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. All other repair and maintenance costs are recognised in profit or loss as incurred.

Notes to the financial statements (continued)

For the year ended 30 June 2014

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Property, plant and equipment (continued)

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 profit or loss.

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 profit or loss 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 profit or loss.

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

Class of plant and equipment	Useful life
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 profit or loss.

(m) Investment property

Investment property represents the land and building located at 40 Burwood Road, Hawthorn which is held to generate long term rental yields.

Investment property is 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 profit or loss and other comprehensive income in the year in which it arises.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

Notes to the financial statements (continued)

For the year ended 30 June 2014

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) 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 associates are eliminated to the extent they relate to the Group's investment in the associates.

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 Group's investments in associates are shown at Note 21.

(o) 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. 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 (e.g. 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.

(p) 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.

(q) Unearned and deferred revenue

Deferred revenue relates to revenue invoiced, and received, in advance for membership fees and training revenue 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 financial statements (continued)

For the year ended 30 June 2014

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Provisions and employee benefit liabilities

Provisions are recognised when the Group has a present 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.

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.

(s) 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 (i.e. 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 profit or loss and other 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.

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.

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.

Notes to the financial statements (continued)

For the year ended 30 June 2014

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Financial instruments (continued)

Classification and subsequent measurement (continued)

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.

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.

Notes to the financial statements (continued)
For the year ended 30 June 2014

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Financial instruments (continued)

Impairment (continued)

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 profit or loss and other comprehensive income.

(t) Comparative figures

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

(u) Fair value measurement

The Group measures non-financial assets, such as investment properties, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Notes to the financial statements (continued)
For the year ended 30 June 2014

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) Fair value measurement (continued)

The Group determines the policies and procedures for recurring fair value measurement, such as investment properties.

External valuers are involved for valuation of significant assets, such as investment properties. Involvement of external valuers is decided upon annually by the Group. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Group decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case. 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.

At each reporting date, the Group analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the Group verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Group, in conjunction with the Group's external valuers, also compares each the changes in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Notes to the financial statements (continued)
For the year ended 30 June 2014

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instrument comprises cash, related party balances, trade and other receivables and trade and other payables.

It is, and has been throughout the period under review, the Group's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the Group's financial instruments are credit risk and liquidity risk.

The Organisation's Vice President Finance is responsible for, among other issues, monitoring and managing financial risk exposures of the Organisation. The Vice President Finance monitors the organisation's transactions and reviews the effectiveness of controls relating to credit risk, financial risk and interest rate risk. The overall risk management strategy seeks to ensure that the organisation meets its financial targets, whilst minimising potential cash flow shortfalls.

The carrying amounts of the Group’s financial instruments are reasonable approximations of fair values.

(a) Interest rate risk

The Group’s interest rate risk is minimal. Asset financial instruments are on call in nature, and cash and cash equivalents are being held in interest bearing accounts.

At balance date, the Group had the following financial asset exposed to Australian variable interest rate risk:

	CONSOLIDATED		*PARENT*	
	2014	*2013*	*2014*	*2013*
	$	*$*	*$*	*$*
Financial assets				
Cash and cash equivalents	7,774,720	1,124,566	1,561,323	1,123,233
	7,774,720	1,124,566	1,561,323	1,123,233

The following sensitivity analysis is based on the interest rate risk exposures in existence at the reporting date:

At balance date, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post tax profit and equity would have been affected as follows:

Judgements of reasonably possible movements:

			Higher/(Lower)	
	CONSOLIDATED		*PARENT*	
	2014	*2013*	*2014*	*2013*
	$	*$*	*$*	*$*
Post tax profit				
+ 1%	44,495	12,185	13,423	12,174
- 1%	(44,495)	(12,185)	(13,423)	(12,174)

The movement in profit is due to higher/lower interest costs from variable rate cash balances.

Notes to the financial statements (continued)
For the year ended 30 June 2014

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(a) Interest rate risk (continued)

Significant assumptions used in the interest rate sensitivity analysis include:

- Reasonably possible movements in interest rates were determined based on the Group's relationships with financial institutions and economic forecaster's expectations.
- The net exposure at balance date is representative of what the Group was and is expecting to be exposed to in the next twelve months from balance date.

(b) Foreign currency risk

The Group does not trade in foreign currencies and has no foreign currency risk.

(c) Credit risk

The main source of credit risk to the Group is considered to relate to the class of assets described as subscriptions receivable. The Group's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. Credit risk is minimal.

Subscriptions receivable amounts are considered as "past due" when the debt has not been settled within the terms and conditions agreed between the Group and the member or the counterparty to the transactions. Receivables that are past due are assessed for impairment by ascertaining their willingness to pay and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Group.

The Group has no significant concentration of credit risk with respect of any single counterparty or group of counterparties.

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

Credit risk is managed through maintaining procedures ensuring, to the extent possible, that members and counterparties to transactions are of sound credit worthiness. Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the committee has otherwise cleared as being financially sound.

(d) Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities.

Notes to the financial statements (continued)
For the year ended 30 June 2014

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(d) Liquidity risk (continued)

Maturity analysis of financial assets and liabilities based on management's expectation.

The table below reflects expectations of management in respect of the settlement of financial assets and liabilities at balance date.

CONSOLIDATED	*≤6 months*	*6-12 months*	*1-5 years*	*>5years*	*Total*
	$	*$*	*$*	*$*	*$*
Year ended 30 June 2014					
Liquid financial assets					
Cash and cash equivalents	7,774,720	-	-	-	7,774,720
Trade and other receivables	1,169,533	-	-	-	1,169,533
Other assets	2,473,629	13,141	-	-	2,486,770
	11,417,882	13,141	-	-	11,431,023
Financial liabilities					
Trade and other payables	1,934,267	1,166,043	9,278	-	3,109,588
Security deposit held in trust	-	-	53,995	-	53,995
	1,934,267	1,166,043	63,273	-	3,163,583
Net inflow/(outflow)	9,483,615	(1,152,902)	(63,273)	-	8,267,440

CONSOLIDATED	*≤6 months*	*6-12 months*	*1-5 years*	*>5years*	*Total*
	$	*$*	*$*	*$*	*$*
Year ended 30 June 2013					
Liquid financial assets					
Cash and cash equivalents	1,124,566	-	-	-	1,124,566
Trade and other receivables	1,573,998	-	-	-	1,573,998
Other assets	315,000	-	-	-	315,000
	3,013,564	-	-	-	3,013,564
Financial liabilities					
Trade and other payables	1,622,032	1,116,032	-	-	2,738,064
Security deposit held in trust	-	-	53,995	-	53,995
	1,622,032	1,116,032	53,995	-	2,792,059
Net inflow/(outflow)	1,391,532	(1,116,032)	(53,995)	-	221,505

PARENT	*≤6 months*	*6-12 months*	*1-5 years*	*>5years*	*Total*
	$	*$*	*$*	*$*	*$*
Year ended 30 June 2014					
Liquid financial assets					
Cash and cash equivalents	1,561,323	-	-	-	1,561,323
Trade and other receivables	1,395,621	-	-	-	1,395,621
Other assets	220,824	13,141	-	-	233,965
	3,177,768	-	-	-	3,190,909
Financial liabilities					
Trade and other payables	1,931,766	1,574,343	9,278	-	3,515,387
Security deposit held in trust	-	-	53,995	-	53,995
	1,931,766	1,574,343	63,273	-	3,569,382
Net inflow/(outflow)	1,246,002	(1,574,343)	(63,273)	-	(378,473)

Notes to the financial statements (continued)

For the year ended 30 June 2014

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(d) Liquidity risk (continued)

PARENT	*≤6 months* $	*6-12 months* $	*1-5 years* $	*>5years* $	*Total* $
Year ended 30 June 2013					
Liquid financial assets					
Cash and cash equivalents	1,123,233	-	-	-	1,123,233
Trade and other receivables	1,573,998	-	-	-	1,573,998
Other assets	315,000	-	-	-	315,000
	3,012,231	-	-	-	3,012,231
Financial liabilities					
Trade and other payables	1,622,030	1,116,032	-	-	2,738,062
Security deposit held in trust	-	-	53,995	-	53,995
	1,622,030	1,116,032	53,995	-	2,792,057
Net inflow/(outflow)	1,390,201	(1,116,032)	(53,995)	-	220,174

The Group manages this risk through the following mechanisms:
• preparing forward-looking cash flow analysis in relation to its operational, investing and financing activities;
• only investing surplus cash with major financial institutions; and
• proactively monitoring the recovery of unpaid subscriptions.

(e) Fair value measurement

The following table provides the fair value measurement hierarchy of the Group's assets.

Quantitative disclosures fair value measurement hierarchy for assets as at 30 June 2014:

			Fair value measurement using		
	Date of valuation	*Total* $	*Quoted prices in active markets (Level 1)* $	*Significant observable inputs (Level 2)* $	*Significant unobservable inputs (Level 3)* $
Assets measured at fair value:					
Investment properties (Note 12)					
CONSOLIDATED					
Investment properties	30 June 2014	8,750,000	-	8,750,000	-
PARENT					
Investment in The Guild Properties (Victoria) Unit Trust	30 June 2014	8,169,688	-	8,169,688	-

Notes to the financial statements (continued)

For the year ended 30 June 2014

4 CRITICAL ACOUNTING ESTIMATES, ASSUMPTIONS 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 assumptions

Revaluation of investment properties

The Group carries its investment properties at fair value, with changes in fair value being recognised in the statement of profit or loss and other comprehensive income. The Branch engaged Charter Keck Cramer, an independent valuation specialist, to assess fair value as at 30 June 2014 for investment properties. 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.

Classification as investment property

The land and building located at 40 Burwood Road, Hawthorn has been classified as an investment property on the basis that it is held to generate long term rental yields.

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 financial statements (continued)

For the year ended 30 June 2014

	CONSOLIDATED		PARENT	
	2014	2013	2014	2013
	$	$	$	$
5 REVENUE AND OTHER INCOME				
(a) Revenue				
Membership contributions received by the Branch	2,194,030	2,068,355	2,194,030	2,068,355
Commissions	433,873	497,613	433,873	497,613
Interest	183,025	32,872	22,688	31,293
Sundry income	131,173	438,686	131,173	439,243
Rental income Guild Properties	393,388	325,680	-	-
Distribution income from The Guild Properties (Victoria) Unit Trust	-	-	644,990	612,370
Training income	501,371	726,634	501,371	727,638
Quality care pharmacy program project income	604,781	565,685	604,781	565,685
5CPA state based support	20,977	179,146	20,977	179,146
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	-	-	-	-
	4,462,618	4,834,671	4,553,883	5,121,343
(b) Other income				
Other rental income	89,264	87,120	89,264	87,120
Gain/(loss) from sale of assets	5,523	(3,008)	5,523	(3,008)
Distribution income from The Guild (Victoria) Computer Unit Trust	-	-	316,865	687,114
	94,787	84,112	411,652	771,226
Gain on divestment of investment	7,172,214	-	-	-
Gain/(loss) on revaluation of investment property	616,233	(19,883)	-	-
Share of profit from joint venture entity	205,564	687,187	-	-
Total income	12,551,416	5,586,087	4,965,535	5,892,569

In the current year the Group disposed of 30% of its previously held investment in FRED IT Group Pty Ltd, with the proceeds received exceeding the Group's equity accounted investment for the portion of the investment disposed of. The value of proceeds received, less attributable transaction costs incurred that exceeded the investment disposed of has been recognised as a gain on disposal of investment in the current year's profit and loss.

6 INCOME TAX

(a) Income tax expense

	CONSOLIDATED		PARENT	
	2014	2013	2014	2013
Major components of income tax expense are:				
Statement of profit or loss and other comprehensive income				
Current income tax				
Current income tax charge	48,101			
Capital gains tax on partial disposal of investment in FRED IT Group	1,257,847	-	-	-
Income tax expense reported in statement of profit or loss and other comprehensive income	1,305,948	-	-	-

Notes to the financial statements (continued)

For the year ended 30 June 2014

	CONSOLIDATED 2014 $	CONSOLIDATED 2013 $	PARENT 2014 $	PARENT 2013 $
6 INCOME TAX (continued)				
(b) Numerical reconciliation between aggregate tax expense recognised in the statement of profit or loss and other comprehensive income and tax				
A reconciliation between tax expense and the product of accounting profit multiplied by the controlled entity's applicable income tax rate is as follows:				
Interest income before income tax	160,337	-	-	-
At the controlled entity's statutory income tax rate of 30% (2013: 30%)	48,101	-	-	-
Capital gain tax	1,257,847	-	-	-
Aggregate income tax expense	1,305,948	-	-	-
7 PROFIT FOR THE YEAR				
Profit for the year has been determined after charging:				
Expenses				
Capitation fee expense - Membership contributions to National Council	1,289,772	1,216,343	1,289,772	1,216,343
Committee fees and allowances for attendance at meetings and conferences	10,680	14,110	10,680	14,110
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 financial statements (continued)
For the year ended 30 June 2014

	CONSOLIDATED		PARENT	
	2014	*2013*	*2014*	*2013*
	$	*$*	*$*	*$*
7 PROFIT FOR THE YEAR (continued)				
Employee benefit relating to 'Holders of Offices'				
- wages and salaries	355,254	340,870	355,254	340,870
- superannuation	37,540	45,065	37,540	45,065
- leave and other entitlements	33,487	170,255	33,487	170,255
- Branch Committee allowance	3,000	3,300	3,000	3,300
- separation and redundancies	-	-	-	-
- other employee expenses	-	-	-	-
	429,281	559,490	429,281	559,490
Employee benefit relating to employees 'Other than Holders of Offices'				
- wages and salaries	1,642,629	1,623,028	1,642,629	1,641,929
- superannuation	241,715	228,581	241,715	228,581
- leave and other entitlements	207,318	163,735	207,318	163,735
- separation and redundancies	-	-	-	-
- other employee expenses	-	-	-	-
Total employee benefits	2,091,662	2,015,344	2,091,662	2,034,245
Grants and donations				
- grants	-	-	-	-
- donations	52,222	59,721	52,222	59,721
	52,222	59,721	52,222	59,721

Purpose of donations / grants greater than $1,000 have been disclosed separately in a statement lodged under Section 237 of the *Fairwork (Registered Organisations) Act 2009.*

Legal expenses				
- litigation	-	-	-	-
- other legal matters	27,684	8,615	14,233	8,615
	27,684	8,615	14,233	8,615
Penalties - Fair Work (Registered Organisations) Act 2009	-	-	-	-

Consolidated expenses listed in this note relate solely to the Branch and its controlled entities and are disclosed in accordance with Fair Work Australia Reporting Guideline Item 16.

Notes to the financial statements (continued)
For the year ended 30 June 2014

	CONSOLIDATED		PARENT	
	2014	2013	2014	2013
	$	$	$	$
8 CASH AND CASH EQUIVALENTS				
Cash at bank and on hand	1,574,720	1,124,566	1,561,323	1,123,233
Term deposits	6,200,000	-	-	-
	7,774,720	1,124,566	1,561,323	1,123,233

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits mature every 90 days and earn interest at the respective short-term deposit rate. The carrying amount of cash and cash equivalents represents fair value.

Reconciliation to the statement of cash flows
For the purposes of the statement of cash flows, cash and cash equivalents comprise of the above.

9 TRADE AND OTHER RECEIVABLES

Trade receivables	1,104,664	1,424,520	1,104,664	1,424,520
Other receivables	41,704	40,243	41,704	40,243
	1,146,368	1,464,763	1,146,368	1,464,763
Related party receivables	23,165	109,235	249,253	109,235
	1,169,533	1,573,998	1,395,621	1,573,998

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

At 30 June, the analysis of trade and other receivables that were past due but not impaired is as follows:

Neither past due nor impaired	78,771	65,344	78,771	65,344
Past due but not impaired:				
< 30 days	86,102	45,937	86,102	45,937
30 - 60 days	955,973	1,339,222	955,973	1,339,222
61 - 90 days	10,570	3,804	10,570	3,804
> 90 days	14,952	10,456	14,952	10,456
	1,067,597	1,399,419	1,067,597	1,399,419
Total trade and other receivables	1,146,368	1,464,763	1,146,368	1,464,763

(a) Fair value and credit risk
Due to the short-term nature of these receivables, their carrying value is assumed to approximate their fair value.

The maximum exposure to credit risk is the fair value of receivables. Collateral is not held as security, nor is it the Group's policy to transfer (on sell) receivables to special purpose entities.

(b) Related party receivables
For terms and conditions relating to related party receivables refer to note 17.

(c) Credit risk
See Note 3(c) on credit risk of trade receivables, which discusses how the Group manages and measures credit quality of trade receivables that are neither past due nor impaired.

Notes to the financial statements (continued)

For the year ended 30 June 2014

	CONSOLIDATED		PARENT	
	2014	2013	2014	2013
	$	$	$	$
10 OTHER ASSETS				
Prepayments	173,349	93,174	173,347	93,174
Accrued income	2,368,712	315,000	60,618	315,000
	2,542,061	408,174	233,965	408,174

Included in accrued income is the estimated earn-out amount from sale of part of the Group's investment in FRED IT Group Pty Limited's shares amounting to $1,992,030 (2013: dividends receivable of $300,000).

11 PROPERTY, PLANT AND EQUIPMENT

	CONSOLIDATED 2014 $	CONSOLIDATED 2013 $	PARENT 2014 $	PARENT 2013 $
Land and buildings				
At fair value	-	4,050,000	-	-
Net carrying amount	-	4,050,000	-	-
Plant and equipment				
At cost	1,230,345	1,164,848	1,230,345	1,164,848
Accumulated depreciation	(835,185)	(728,088)	(835,185)	(728,088)
Net carrying amount	395,160	436,760	395,160	436,760
Motor vehicles				
At cost	154,146	156,018	154,146	156,018
Accumulated depreciation	(59,865)	(79,425)	(59,865)	(79,425)
Net carrying amount	94,281	76,593	94,281	76,593
Total property, plant and equipment				
At fair value	-	4,050,000	-	-
At cost	1,384,491	1,320,866	1,384,491	1,320,866
	1,384,491	5,370,866	1,384,491	1,320,866
Accumulated depreciation	(895,050)	(807,513)	(895,050)	(807,513)
Net carrying amount	489,441	4,563,353	489,441	513,353
Reconciliation of carrying amounts at the beginning and end of the year				
Land and buildings				
Balance at the beginning of the year				
At fair value	4,050,000	4,000,000	-	-
Net carrying amount	4,050,000	4,000,000	-	-
Transferred to investment properties	(4,050,000)	-	-	-
Additions	-	69,883	-	-
Revaluations	-	(19,883)	-	-
Balance at the end of the year - net carrying amount	-	4,050,000	-	-
Plant and equipment				
Balance at the beginning of the year				
At cost	1,164,848	1,123,661	1,164,848	1,123,661
Accumulated depreciation	(728,088)	(612,635)	(728,088)	(612,635)
Net carrying amount	436,760	511,026	436,760	511,026
Additions	66,433	41,187	66,433	41,187
Disposals	(489)	-	(489)	-
Depreciation charge for the year	(107,544)	(115,453)	(107,544)	(115,453)
Balance at the end of the year - net carrying amount	395,160	436,760	395,160	436,760

Notes to the financial statements (continued)
For the year ended 30 June 2014

	CONSOLIDATED 2014 $	CONSOLIDATED 2013 $	PARENT 2014 $	PARENT 2013 $
11 PROPERTY, PLANT AND EQUIPMENT (continued)				
Reconciliation of carrying amounts at the beginning and end of the year (continued)				
Motor vehicles				
Balance at the beginning of the year				
At cost	186,911	199,720	186,911	199,720
Accumulated depreciation	(110,318)	(82,480)	(110,318)	(82,480)
Net carrying amount	76,593	117,240	76,593	117,240
Additions	54,914	18,835	54,914	18,835
Disposals	(13,526)	(31,644)	(13,526)	(31,644)
Depreciation charge for the year	(23,700)	(27,838)	(23,700)	(27,838)
Balance at the end of the year - net carrying amount	94,281	76,593	94,281	76,593
Total property, plant and equipment				
Balance at the beginning of the year				
At fair value	4,050,000	4,000,000	-	-
At cost	1,351,759	1,323,381	1,351,759	1,323,381
	5,401,759	5,323,381	1,351,759	1,323,381
Accumulated depreciation	(838,406)	(695,115)	(838,406)	(695,115)
Net carrying amount	4,563,353	4,628,266	513,353	628,266
Transferred to investment properties	(4,050,000)	-	-	-
Additions	121,347	129,905	121,347	60,022
Disposals	(14,015)	(31,644)	(14,015)	(31,644)
Revaluation	-	(19,883)	-	-
Depreciation charge for the year	(131,244)	(143,291)	(131,244)	(143,291)
Balance at the end of the year - net carrying amount	489,441	4,563,353	489,441	513,353
12 INVESTMENT PROPERTY				
Opening balance at 1 July	4,050,000	4,000,000	-	-
Additions	33,767	69,883	-	-
Transferred from land and buildings	4,050,000	-	-	-
Net gain/(loss) from fair value adjustments	616,233	(19,883)	-	-
Closing balance at 30 June	8,750,000	4,050,000	-	-
Investments in freehold land and buildings	8,750,000	4,050,000	-	-

Notes to the financial statements (continued)

For the year ended 30 June 2014

12 INVESTMENT PROPERTY (continued)

(a) Description of valuation techniques used and key inputs to valuation on investment properties:

	Valuation technique	*Significant unobservable Inputs*	*Range (weighted average)*
Investment properties	DCF method	Estimated office area rental per sqm per month	$290
		Estimated car space rental per sqm per month	$200
		Discount rate	7.75%

(b) The land and building was independently valued at $8,750,000 by Charter Keck Cramer on 30 June 2014. 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 gain on revaluation of investment property of $616,233 being recognised within the profit and loss for the year ended 30 June 2014 (2013: loss of $19,883), after taking into account some building upgrades.

The Group previously recognised half of the land and buildings located at 40 Burwood Road, Hawthorn, as property, plant and equipment. In the current financial year, the floor space leased to external tenants increased, with the floor space occupied by the owners reducing. Consequently, the Group determined there had been a change in use of the land and building previously recognised as property, plant and equipment, and the land and buildings are now accounted for entirely as investment property.

13 INVESTMENT ACCOUNTED FOR USING THE EQUITY METHOD

	CONSOLIDATED	
	2014	*2013*
	$	*$*
Investment in joint venture entity, FRED IT Group Pty Ltd	3,447,769	4,331,721

The equity interest in FRED IT Group Pty Ltd is 35% (2013: 50%) and has been equity accounted.

Movement during the year in equity accounted investment in joint venture entity:		
Balance at 1 July	4,331,721	3,944,534
Add: share of joint venture entity's profit after income tax	205,564	687,187
Add: dividend revenue not received	300,000	-
Less: dividend revenue from joint venture entity	-	(300,000)
Less: share of investment disposed of	(1,389,516)	-
Balance at 30 June	3,447,769	4,331,721

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

Notes to the financial statements (continued)
For the year ended 30 June 2014

13 INVESTMENT ACCOUNTED FOR USING THE EQUITY METHOD (continued)

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

	2014	*2013*
	$	*$*
Current assets	5,767,629	6,128,235
Non-current assets	14,400,461	12,807,895
	20,168,090	18,936,130
Current liabilities	9,269,128	9,072,605
Non-current liabilities	2,112,461	1,955,736
	11,381,589	11,028,341
Net assets	8,786,501	7,907,789
Share of joint venture entity's net assets 35% (2013: 50%)	3,075,275	3,953,895
Extract from the joint venture's statement of profit or loss and other comprehensive income		
Revenue	36,715,996	41,697,605
Net profit after tax	587,326	1,354,133

14 TRADE AND OTHER PAYABLES

	CONSOLIDATED		*PARENT*	
	2014	*2013*	*2014*	*2013*
	$	*$*	*$*	*$*
Current				
Trade payables and accruals	476,435	426,514	452,134	411,227
Unearned revenue	839,758	1,216,289	839,758	1,216,289
Deferred revenue	1,695,496	1,015,775	1,695,496	1,015,775
Progress receipts from divestment	-	-	503,447	-
Payables to employers as consideration for the employers	-	-	-	-
Payables in respect of legal costs and other expenses related to litigation or other legal matters	-	-	-	-
	3,011,689	2,658,578	3,490,835	2,643,291
Related party payables	97,899	79,486	24,552	94,771
	3,109,588	2,738,064	3,515,387	2,738,062
Non-current				
Security deposit held in trust	53,995	53,995	53,995	53,995
	53,995	53,995	53,995	53,995

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

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are normally settled on 30-day terms.
- For terms and conditions relating to related party payables refer to note 17.
- For terms and conditions relating to unearned revenue and deferred revenue refer to note 2(q).

For explanations on the Group's liquidity risk management processes, refer to note 3(d).

Notes to the financial statements (continued)

For the year ended 30 June 2014

15 EMPLOYEE BENEFIT LIABILITIES

	CONSOLIDATED		*PARENT*	
	2014	*2013*	*2014*	*2013*
	$	*$*	*$*	*$*
Current				
Annual leave	126,372	142,312	126,372	142,312
Long service leave	188,987	174,410	188,987	174,410
	315,359	316,722	315,359	316,722
Non-current				
Long service leave	63,693	52,628	63,693	52,628
Total employee benefit liabilities	379,052	369,350	379,052	369,350

Refer to note 2(r) for the relevant accounting policy and a discussion of the significant estimations and assumptions applied in the measurement of employee benefit liabilities.

	CONSOLIDATED		*PARENT*	
	2014	*2013*	*2014*	*2013*
	$	*$*	*$*	*$*
Analysis of total employee benefit liabilities:				
Balance at 1 July	369,350	487,466	369,350	487,466
Increase in provisions during the year	9,702	44,565	9,702	44,565
Amounts used	-	(162,681)	-	(162,681)
Balance at 30 June	379,052	369,350	379,052	369,350
Employee benefit liabilities are analysed as follows:				
Relating to 'Holders of Offices'				
- Annual leave	-	9,674	-	9,674
- Long service leave	-	2,874	-	2,874
- Separation and redundancies	-	-	-	-
- Other employee provisions	-	-	-	-
Relating to employees ('other than Holders of Offices')				
- Annual leave	126,372	132,638	126,372	132,638
- Long service leave	252,680	224,164	252,680	224,164
- Separation and redundancies	-	-	-	-
- Other employee provisions	-	-	-	-
Total employee benefit liabilities	379,052	369,350	379,052	369,350

No provisions were made for employee benefits relating to Branch Committee (2013: Nil).

No provisions were made for separation and redundancies or other employee provisions (2013: 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 Branch does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlements.

Notes to the financial statements (continued)

For the year ended 30 June 2014

15 EMPLOYEE BENEFIT LIABILITIES (continued)

Provision for employee benefits (continued)
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 benefit liabilities have been discussed in Note 2(r).

Amounts not expected to be settled within the next 12 months
The current provision for employee benefits includes accrued annual leave and long service leave. However, based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not to be expected to be taken or paid within the next 12 months.

	CONSOLIDATED		*PARENT*	
	2014	*2013*	*2014*	*2013*
	$	*$*	*$*	*$*
Current leave obligations expected to be settled after 12 months	38,280	40,178	38,280	40,178

16 STATEMENT OF CASH FLOWS RECONCILIATION

	CONSOLIDATED		*PARENT*	
	2014	*2013*	*2014*	*2013*
	$	*$*	*$*	*$*
Reconciliation of net profit for the year to net cash flows from operations				
Profit/(loss) for the year	6,434,538	245,379	(74,805)	265,262
Adjustments for:				
Depreciation	131,244	143,291	131,244	143,291
(Gain)/loss on revaluation of investment property	(616,233)	19,883	-	-
Net loss on disposal of plant and equipment	-	3,008	-	3,008
Distribution income from The Guild (Victoria) Computer Unit Trust	-	-	(316,865)	(687,114)
Gain on partial sale of FRED IT Group Pty Limited's shares classified as investing activities	(7,172,214)	-	-	-
Share of profit from joint venture entity	(205,564)	(687,187)	-	-
Changes in assets and liabilities				
(Increase)/Decrease in trade and other receivables	404,465	87,144	178,377	68,625
(Increase)/Decrease in other assets	(136,637)	54,359	(125,791)	54,358
(Decrease)/Increase in trade and other payables	371,524	(524,041)	777,325	(505,521)
(Decrease)/Increase in income tax payable	1,305,948	-	-	-
(Decrease)/Increase in employee benefit liabilities	9,702	(118,116)	9,702	(118,116)
Net cash flows from/(used in) operating activities	526,773	(776,280)	579,187	(776,207)

Notes to the financial statements (continued)

For the year ended 30 June 2014

16 STATEMENT OF CASH FLOWS RECONCILIATION (continued)

	CONSOLIDATED		*PARENT*	
	2014	*2013*	*2014*	*2013*
	$	*$*	*$*	*$*
Cash flow information				
Cash inflows	11,315,076	4,111,199	4,841,062	3,636,053
Cash outflows	(4,664,922)	(4,299,486)	(4,402,972)	(3,824,267)

	2014	*2013*
	$	*$*
Cash flow information related to controlled entities		
Cash inflows		
The Guild (Victoria) Computer Unit Trust	6,474,014	475,146
The Guild Properties (Victoria) Unit Trust	-	-
Cash outflows		
The Guild (Victoria) Computer Unit Trust	(261,950)	(475,219)
The Guild Properties (Victoria) Unit Trust	-	-

17 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 to 22/10/2013), A Tassone (President from 22/10/2013), D R Sanghvi (Branch Vice President, 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 (Branch Committee), S Hall (Branch Committee), P Krassaris (Branch Committee), R Kilpatrick (Branch Committee), A Pricolo (Branch Committee), B R Robertson(Vice President-Finance), W J Scott (Branch Committee and Director), T E Riley (Branch Committee).

FRED IT Group Pty Limited

W J Scott (Director FRED IT Group Pty Limited), R J C Foster (Director FRED IT Group Pty Limited - part year), P Krassaris (Director FRED IT Group Pty Ltd - part year).

All related party transactions are at arm's length.

Notes to the financial statements (continued)

For the year ended 30 June 2014

17 RELATED PARTY DISCLOSURES (continued)

	CONSOLIDATED		PARENT	
	2014	2013	2014	2013
	$	$	$	$
(b) Balances with related parties				
(i) Amounts payable to related parties:				
Amounts included in trade and other payables - Note 14				
The Pharmacy Guild of Australia (National Secretariat)	8,197	11,986	8,197	11,986
The Pharmacy Guild of Australia (NSW)	-	33,220	-	33,220
The Pharmacy Guild of Australia (Queensland)	60	16,915	60	16,915
The Pharmacy Guild of Australia (ACT)	-	1,977	-	1,977
The Pharmacy Guild of Australia (SA)	-	5,413	-	5,413
The Pharmacy Guild of Australia (Tasmania)	-	3,285	-	3,285
The Pharmacy Guild of Australia (NT)	-	1,008	-	1,008
The Pharmacy Guild of Australia (WA)	-	5,682	-	5,682
The Guild Properties (Victoria) Unit Trust	-	-	16,295	15,285
Fred IT Group Pty Limited	89,642	-	-	-
	97,899	79,486	24,552	94,771
(ii) Amounts receivable from related parties:				
Amounts included in trade and other receivables - Note 9				
The Pharmacy Guild of Australia (National Secretariat)	22,044	25,524	22,044	25,524
The Pharmacy Guild of Australia (NSW)	-	1,869	-	1,869
Guild Pharmacy Academy	1,121	8,292	1,121	8,292
Gold Cross Products and Services Pty Ltd	-	34,400	-	34,400
Pharmacy Computers Australia Pty Ltd	-	-	226,088	-
Other Related Parties - Current				
Guild Insurance & Financial Services Ltd	-	39,150	-	39,150
	23,165	109,235	249,253	109,235

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

(c) Transactions with related parties

The following transactions took place with related parties during the reporting period:

	CONSOLIDATED 2014 $	CONSOLIDATED 2013 $	PARENT 2014 $	PARENT 2013 $
Membership contributions paid by Victorian Branch				
` The Pharmacy Guild of Australia National Secretariat	1,289,772	1,216,343	1,289,772	1,216,343
Terms: 58.79% (2013: 58.81%) of gross membership fees received.				
Share of dividends received from Pharmacy Computers Australia Pty Ltd				
The Pharmacy Guild of Australia (National Secretariat)	(7,500)	7,500	(7,500)	7,500
The Pharmacy Guild of Australia (NSW)	(33,220)	33,220	(33,220)	33,220
The Pharmacy Guild of Australia (Queensland)	(16,915)	16,915	(16,915)	16,915
The Pharmacy Guild of Australia (ACT)	(1,977)	1,977	(1,977)	1,977
The Pharmacy Guild of Australia (SA)	(5,413)	5,413	(5,413)	5,413
The Pharmacy Guild of Australia (Tasmania)	(3,285)	3,285	(3,285)	3,285
The Pharmacy Guild of Australia (WA)	(5,682)	5,682	(5,682)	5,682
The Pharmacy Guild of Australia (NT)	(1,008)	1,008	(1,008)	1,008
	(75,000)	75,000	(75,000)	75,000

Notes to the financial statements (continued)
For the year ended 30 June 2014

	CONSOLIDATED		PARENT	
	2014	2013	2014	2013
	$	$	$	$

17 RELATED PARTY DISCLOSURES (continued)

(c) Transactions with related parties (continued)

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.

	CONSOLIDATED 2014 $	CONSOLIDATED 2013 $	PARENT 2014 $	PARENT 2013 $
Other related parties				
Pharmacy Computers Australia Pty Ltd				
Dividends (reversed)/received	(300,000)	300,000	-	-
Subsidiaries of The Pharmacy Guild of Australia				
Gold Cross Products and Services Pty Ltd				
Commission paid to Victorian Branch for distribution of its material Terms: Based on membership % applied to gross Division income	93,347	140,553	93,347	140,553
Guild Insurance Company Ltd.				
Commission received from Guild Insurance for business referred from Victorian Branch members Terms: Percentage of business received. Calculated on normal commercial terms	325,260	348,595	325,260	348,595
Building costs & maintenance paid by Victorian Branch to Guild Properties Victoria Unit Trust Terms: Normal commercial terms	99,501	115,773	99,501	115,773

(d) Cash flow movements with related parties

(i) Receipts from related parties

	CONSOLIDATED 2014 $	CONSOLIDATED 2013 $	PARENT 2014 $	PARENT 2013 $
Other branches				
The Pharmacy Guild of Australia (National Secretariat)	689,739	642,635	689,739	642,635
The Pharmacy Guild of Australia (ACT)	71	1,336	71	1,336
The Pharmacy Guild of Australia (NSW)	71	10,488	71	10,488
The Pharmacy Guild of Australia (NT)	-	1,036	-	1,036
The Pharmacy Guild of Australia (Queensland)	71	4,009	71	4,009
The Pharmacy Guild of Australia (SA)	153	1,336	153	1,336
The Pharmacy Guild of Australia (Tasmania)	71	1,036	71	1,036
The Pharmacy Guild of Australia (WA)	97	1,036	97	1,036
Guild Pharmacy Academy	73,529	79,326	73,529	79,326
Gold Cross Products and Services Pty Ltd	105,284	151,020	105,284	151,020
Guild Insurance & Financial Services Ltd	333,175	383,445	333,175	383,445
	1,202,261	1,276,703	1,202,261	1,276,703

Notes to the financial statements (continued)
For the year ended 30 June 2014

17 RELATED PARTY DISCLOSURES (continued)

(d) Cash flow movements with related parties (continued)

(ii) Payments to related parties

Other branches				
The Pharmacy Guild of Australia (National Secretariat)	1,493,848	1,432,939	1,493,848	1,432,939
The Pharmacy Guild of Australia (ACT)	-	2,961	-	2,961
The Pharmacy Guild of Australia (NSW)	2,820	177,790	2,820	177,790
The Pharmacy Guild of Australia (NT)	-	7,970	-	7,970
The Pharmacy Guild of Australia (Queensland)	590	120,512	590	120,512
The Pharmacy Guild of Australia (SA)	908	58,869	908	58,869
The Pharmacy Guild of Australia (Tasmania)	5,415	21,956	5,415	21,956
The Pharmacy Guild of Australia (WA)	-	47,708	-	47,708
Guild Group	39,922	-	39,922	-
	1,543,503	1,870,705	1,543,503	1,870,705

18 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 remuneration paid to key management personnel of the Branch during the year are as follows:

	CONSOLIDATED		*PARENT*	
	2014	*2013*	*2014*	*2013*
	$	*$*	*$*	*$*
Wages and salaries	355,254	340,870	355,254	340,870
Superannuation	37,540	45,065	37,540	45,065
Leave and other entitlements	33,487	170,255	33,487	170,255
Branch Committee allowance	3,000	3,300	3,000	3,300
Total compensation	429,281	559,490	429,281	559,490

19 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.

20 RESERVES

Revaluation reserve

The revaluation reserve records the revaluations of available for sale assets. Details of the movement in revaluation reserve is disclosed in the statement of changes in equity.

Income reserve - capital gain

The income reserve records the capital gain from the sale of part of the Group's investment in FRED IT Pty Limited's shares.

Notes to the financial statements (continued)
For the year ended 30 June 2014

21 CONTROLLED ENTITIES CONSOLIDATED

Subsidiaries or associated entities of The Pharmacy Guild of Australia, Victoria	Country of incorporation	Percentage Owned (%) *2014*	*2013*
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	Country of incorporation	Percentage Owned (%) *2014*	*2013*
FRED IT Group Pty Ltd	Australia	35%	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.

22 CAPITAL AND LEASING COMMITMENTS

There were no capital or leasing commitments as at 30 June 2014 (30 June 2013: Nil).

23 CONTINGENT LIABILITIES AND ASSETS

Legal action relating to a former contractor of the Group

A former contractor of the Group has claimed amounts owed by the Group relating to unpaid superannuation payments. As a result of this claim, the Group received a letter from the Australian Tax Office (“ATO”) advising the Group they may not have complied with the superannuation guarantee obligation for the contractor for a period of time. The Group has responded to the ATO’s letter and the matter is ongoing and subject to the ATO’s assessment of the facts, as well as the Group’s response to the letter. As the outcome of this matter cannot be determined at this time, the Group has not provided any amount in relation to this claim.

24 AUDITOR'S REMUNERATION

The auditor of The Pharmacy Guild of Australia, Victoria is Ernst & Young (Australia).

	2014 *$*	*2013* *$*
Amounts received or due and receivable by Ernst & Young (Australia) for:		
• an audit of the financial report of the entity and any other entity in the consolidated group	40,000	39,612
• other services in relation to the entity and any other entity in the consolidated group		
- accounting assistance	15,000	-
- other services	10,000	-
	65,000	39,612

Notes to the financial statements (continued)

For the year ended 30 June 2014

25 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).

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 (2013: Nil).

(c) Recovery of wages activity

The Pharmacy Guild of Australia, Victoria has not undertaken any recovery of wages activity during the financial year ended 30 June 2014.

26 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).

Operating report

I, ANTHONY TASSONE, being the designated officer responsible for preparing this report for the financial year ended 30 June 2014 of The Pharmacy Guild of Australia, Victoria, report as follows:

(a) **Review of principal activities:**

(i) The Pharmacy Guild of Australia, Victoria is an employers' organisation servicing the needs of proprietors of independent community pharmacies and representing their interests in industrial matters.

(ii) The Pharmacy Guild of Australia, Victoria has continued to assist 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 Branch President, Director and Officers outlining the activities for the year. There were no significant changes in the nature of these activities during the year under review.

(b) **Significant Financial Changes:**

There have been no significant changes in the financial affairs of the The Pharmacy Guild of Australia, Victoria during the year.

(c) **Members Advice:**

(i) Under Section 174 of the *Fair Work (Registered Organisations) Act 2009* and Rule 36 of the Constitution 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 of the Fair Work Commission’s rights to certain prescribed information. This information is detailed in Note 7 of the financial statements.

(d) **Officers & employees who are superannuation fund trustee(s) or director of a company that is a superannuation fund trustee:**

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.

(e) **Number of members:**

As at 30 June 2014 the number of members of The Pharmacy Guild of Australia, Victoria was 853 including Honorary Life & 50 Year Life Members.

(f) **Number of employees:**

As at 30 June 2014 the number of employees of The Pharmacy Guild of Australia, Victoria was 29.

(g) **Names of Committee of Management members and period positions held during the financial year:**

During the reporting period, the following persons were members of the Branch Committee for the whole year unless otherwise stated:

Mr A Tassone	President from 22/10/2013
Mr G Tambassis	President to 22/10/2013
Mr B R Robertson	Vice President - Finance
Mr D R Sanghvi	Branch Vice President
Mr R J C Foster	Branch Committee
Mr S Hall	Branch Committee
Ms T E Riley	Branch Committee

Operating report (continued)

(g) Names of Committee of Management members and period positions held during the financial year: (continued)

Mr R Kilpatrick	Branch Committee
Mr A Pricolo	Branch Committee
Mr P Krassaris	Branch Committee
Mr W J Scott	Branch Committee
Mr K Gray	Branch Committee

(h) 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 Pbarmacy Guild of Australia, Victoria.

ANTHONY TASSONE
Branch President

02 September 2014

Committee of management statement

On 2 September 2014, the Committee od Management of the 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 year ended 30 June 2014.

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

(a) the financial statements and notes comply with the Accounting Standards

(b) the financial statements and notes comply with the reporting guidelines of the General Manager

(c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of The Pharmacy Guild of Australia, Victoria for the financial year to 30 June 2014;

(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 Branch 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, Victoria 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 Pharmacy Guild of Australia, Victoria 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 ended 30 June 2014.

ANTHONY TASSONE
Branch President

02 September 2014

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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 2014, 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 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 *Fair Work Australia* to prepare consolidated financial report of The Pharmacy Guild of Australia - Victoria. In Note 2(a), the Branch Committee Members also state that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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 Member, 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 Pharmacy Guild of Australia - Victoria and the consolidated entity as of 30 June 2014 and their financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards and *Fair Work (Registered Organisations) Act 2009*;

(b). the financial report also complies with the requirements imposed by the Fair Work Reporting Guidelines;

(c). the financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board; and

(d). management's use of the going concern basis of accounting in the preparation of The Pharmacy Guild of Australia - Victoria financial statements is appropriate.

Ernst & Young

Ernst & Young

Campbell

Fiona M Campbell
Melbourne
2 September 2014

RCA 320131
FCA 89049

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The Pharmacy
Guild of Australia
VIC Branch

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