FAIR WORK COMMISSION

28 October 2015

Mr Allan Crosthwaite
Branch Director, Victorian Branch
Pharmacy Guild of Australia

Sent via email: info@vic.guild.org.au

Dear Mr Crosthwaite

Re: Lodgement of Financial Statements and Accounts – Pharmacy Guild of Australia, Victorian Branch - for year ended 30 June 2015 (FR2015/101)

I refer to the financial report for the Victorian Branch of the Pharmacy Guild of Australia. The report was lodged with the Fair Work Commission on 5 October 2015.

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

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

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

Disclosure of grants or donations

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

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

[1] Where, for example, no grants at all were paid, a nil balance or statement that none were paid is required by RG17.

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

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East Sydney NSW 2011
Telephone: (02) 8374 6666
Email: orgs@fwc.gov.au

The donations expenses were disclosed as a total figure at Note 7 but not broken down in the form required by the above Required Guideline. No explicit nil disclosure in relation to grants expense was made.

Disclosure of payables in respect of legal costs

Reporting Guideline 20(b) requires a payable in relation to legal costs to be disclosed by (i) litigation and by (ii) other legal matters. Reporting Guideline 21 states that if the activities identified in RG 20 have not occurred in the reporting period, a statement to this effect must be included in the GPFR. I note that for liabilities in relation to litigation and other legal matters no such disclosure was made.

Reporting Requirements

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

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted by email at stephen.kellett@fwc.gov.au

Yours sincerely

Stephen Kellett

Stephen Kellett
Senior Adviser
Regulatory Compliance Branch

cc. Ms Linda Wong, Chief Financial Officer

The Pharmacy
Guild of Australia

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER
For the Financial Year Ended 30 June 2015

I, Anthony Tassone, President of the Victorian Branch of the Pharmacy Guild of Australia, certify that:

1. The documents lodged herewith are copies of the auditor's report, the accounts and statements and Operating Report and the Committee of Management Report for the Pharmacy Guild of Australia, Victoria Branch for the financial year ended 30 June 2015 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and

2. The auditor's report, the accounts and statements and the Operating Report and the Committee of Management Report in respect of the financial year ended 30 June 2015 were made available to members free of charge on 4 September 2015; and

3. The full report was presented at the Annual General Meeting of the Pharmacy Guild of Australia, Victoria Branch on 29 September 2015 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009.*

President
The Pharmacy Guild of Australia, Victoria

30 September 2015

Victoria
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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 2015

Contents

Statement of profit or loss and other comprehensive income

For the year ended 30 June 2015

	Note	CONSOLIDATED 2015 $	CONSOLIDATED 2014 $	PARENT 2015 $	PARENT 2014 $
INCOME					
Revenue	5(a)	4,863,281	4,462,618	4,588,587	4,553,883
Share of profit from joint venture entity	5(b)	817,707	205,564	-	-
(Loss)/gain on divestment of investment	5(c)	(769)	7,172,214	-	-
Gain on revaluation of investment property	5(d)	-	616,233	-	-
Other income	5(e)	204,793	94,787	1,147,569	411,652
		5,885,012	12,551,416	5,736,156	4,965,535
PROJECT PAYMENTS AND OTHER EXPENSES					
Administration		(643,680)	(480,820)	(757,121)	(732,426)
Management fees		(7,800)	-	-	-
Building outgoings		(339,656)	(145,778)	(129,883)	(145,778)
Committee fees and allowances		(11,080)	(10,680)	(11,080)	(10,680)
Depreciation		(136,050)	(131,244)	(136,050)	(131,244)
Employee benefit expenses		(2,337,422)	(2,238,688)	(2,337,422)	(2,238,688)
Legal and professional fees		(144,620)	(121,323)	(136,754)	(99,127)
Membership contributions to National Council		(1,279,912)	(1,289,772)	(1,279,912)	(1,289,772)
National Secretariat and Branch contributions		(87,500)	75,000	(87,500)	75,000
Impairment expense		(36,027)	-	-	-
Public relations		(72,259)	(60,496)	(72,259)	(60,496)
Superannuation		(301,307)	(279,255)	(301,307)	(279,255)
Travelling expenses		(107,577)	(127,874)	(107,577)	(127,874)
Minimum lease payments - operating lease		(1,069)	-	(1,069)	-
		(5,505,959)	(4,810,930)	(5,357,934)	(5,040,340)
PROFIT/(LOSS) BEFORE INCOME TAX	7	379,053	7,740,486	378,222	(74,805)
Income tax expense	6	(22,621)	(1,305,948)	-	-
PROFIT/(LOSS) FOR THE YEAR	7	356,432	6,434,538	378,222	(74,805)
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 income not to be reclassified to profit or loss in subsequent periods:					
Net fair value gain of available-for-sale financial assets		6,548	-	-	-
Fair value revaluation of investment in The Guild Properties (Victoria) Unit Trust		-	-	-	573,140
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		6,548	-	-	573,140
OTHER COMPREHENSIVE INCOME FOR THE YEAR		6,548	-	-	573,140
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		362,980	6,434,538	378,222	498,335

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

For the year ended 30 June 2015

	CONSOLIDATED		PARENT	
	2015	2014	2015	2014
	$	$	$	$
Profit/(loss) attributable to:				
Members of the parent entity	356,432	6,393,681	378,222	(74,805)
Non-controlling interest	-	40,857	-	-
	356,432	6,434,538	378,222	(74,805)
Other comprehensive income attributable to:				
Members of the parent entity	6,548	-	-	573,140
Non-controlling interest	-	-	-	-
	6,548	-	-	573,140
Total comprehensive income attributable to:				
Members of the parent entity	362,980	6,393,681	378,222	498,335
Non-controlling interest	-	40,857	-	-
	362,980	6,434,538	378,222	498,335

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 2015

	Note	CONSOLIDATED 2015 $	CONSOLIDATED 2014 $	PARENT 2015 $	PARENT 2014 $
CURRENT ASSETS					
Cash and cash equivalents	8	3,590,174	7,774,720	1,140,324	1,561,323
Trade and other receivables	9	1,198,314	1,169,533	1,139,182	1,395,621
Other assets	10	747,874	2,542,061	261,934	233,965
		5,536,362	11,486,314	2,541,440	3,190,909
Assets available for sale	11	4,329,389	-	-	-
TOTAL CURRENT ASSETS		9,865,751	11,486,314	2,541,440	3,190,909
NON-CURRENT ASSETS					
Investment in subsidiary		-	-	175,002	175,000
Property, plant and equipment	12	383,732	489,441	383,732	489,441
Investment property	13	8,750,000	8,750,000	-	-
Investment accounted for using the equity method	14	3,915,476	3,447,769	-	-
Investment in The Guild Properties (Victoria) Unit Trust		-	-	8,169,688	8,169,688
Present entitlement receivable from The Guild (Victoria) Computer Unit Trust		-	-	4,879,025	4,774,919
TOTAL NON-CURRENT ASSETS		13,049,208	12,687,210	13,607,447	13,609,048
TOTAL ASSETS		22,914,959	24,173,524	16,148,887	16,799,957
CURRENT LIABILITIES					
Trade and other payables	15	2,838,011	3,109,588	2,530,115	3,515,387
Income tax payable		-	1,305,948	-	-
Employee benefit liabilities	16	352,676	315,359	352,676	315,359
TOTAL CURRENT LIABILITIES		3,190,687	4,730,895	2,882,791	3,830,746
NON-CURRENT LIABILITIES					
Trade and other payables	15	-	53,995	-	53,995
Employee benefit liabilities	16	36,351	63,693	36,351	63,693
TOTAL NON-CURRENT LIABILITIES		36,351	117,688	36,351	117,688
TOTAL LIABILITIES		3,227,038	4,848,583	2,919,142	3,948,434
NET ASSETS		**19,687,921**	**19,324,941**	**13,229,745**	**12,851,523**

Statement of financial position (continued)

As at 30 June 2015

	Note	CONSOLIDATED 2015 $	CONSOLIDATED 2014 $	PARENT 2015 $	PARENT 2014 $
EQUITY					
Accumulated funds		13,210,319	12,853,887	9,445,665	9,067,443
Reserves	21	5,899,654	5,893,106	3,784,080	3,784,080
Parent interests		19,109,973	18,746,993	13,229,745	12,851,523
Non-controlling interest		577,948	577,948	-	-
TOTAL EQUITY		**19,687,921**	**19,324,941**	**13,229,745**	**12,851,523**

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 2015

CONSOLIDATED	*Reserves (Note21)* $	*Accumulated funds* $	*Sub-total* $	*Non-controlling interest* $	*Total* $
At 1 July 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 (Note13(b))	(1,425,624)	1,425,624	-	-	-
Transfer of undistributed capital gain	5,893,106	(5,893,106)	-	-	-
At 30 June 2014	5,893,106	12,853,887	18,746,993	577,948	19,324,941
Profit for the year	-	356,432	356,432	-	356,432
Other comprehensive income	6,548	-	6,548	-	6,548
At 30 June 2015	5,899,654	13,210,319	19,109,973	577,948	19,687,921

PARENT	*Revaluation reserves* $	*Accumulated funds* $	*Total* $
At 1 July 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
Profit for the year	-	378,222	378,222
Other comprehensive income	-	-	-
At 30 June 2015	3,784,080	9,445,665	13,229,745

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 2015

	Note	*CONSOLIDATED* 2015 $	*CONSOLIDATED* 2014 $	*PARENT* 2015 $	*PARENT* 2014 $
Operating activities					
Receipts in the course of operations					
- reporting units and /or controlled entity	18(d)	1,271,803	1,202,261	1,271,803	1,202,261
- other		5,567,330	3,651,295	4,593,629	3,602,098
Payments in the course of operations					
- reporting units and /or controlled entity	18(d)	(1,275,951)	(1,543,503)	(1,275,951)	(1,543,503)
- other		(4,547,206)	(2,765,791)	(4,873,998)	(2,577,135)
Interest received		226,231	183,025	23,057	22,688
Income tax paid		(1,328,569)	-	-	-
Net GST paid to Australian Taxation Office		(200,542)	(200,514)	(129,196)	(127,222)
Net cash flows (used in)/from operating activities	17	(286,904)	526,773	(390,656)	579,187
Investing activities					
Dividends received from FRED IT Group Pty Ltd		350,000	-	-	-
Gain on partial disposal of investment in FRED IT Group Pty Ltd		-	6,264,480	-	-
Purchase of plant and equipment		(30,341)	(121,347)	(30,341)	(121,347)
Proceeds on sale of plant and equipment		-	14,015	-	14,015
Additions to investment property		-	(33,767)	-	-
Investment in controlled entity		-	-	-	(33,765)
Purchase of investments		-	-	(2)	-
Purchase of available-for-sale investments		(4,322,841)	-	-	-
Dividends received from investments in equities		106,309	-	-	-
Loss on divestment of other investments		(769)	-	-	-
Net cash flows (used in)/from investing activities		(3,897,642)	6,123,381	(30,343)	(141,097)
Financing activities					
Net cash flows from financing activities		-	-	-	-
Net (decrease)/increase in cash and cash equivalents		(4,184,546)	6,650,154	(420,999)	438,090
Cash and cash equivalents at beginning of the year		7,774,720	1,124,566	1,561,323	1,123,233
Cash and cash equivalents at the end of the year	8	3,590,174	7,774,720	1,140,324	1,561,323

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 2015

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 3 September 2015 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.

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, assets available for sale, held-to-maturity financial assets 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) 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 new and amended Australian Accounting Standards and AASB Interpretations that apply for the first time in 2014/2015 do not impact the financial statements of the Group.

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

Australian Accounting Standards and Interpretations that 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 2015 are outlined below:

AASB 9: Financial Instruments

AASB 2014-4: Clarification of Acceptable Methods of Depreciation and Amortisation
AASB 15: Revenue from Contracts with Customers
AASB 2014-9: Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements
AASB 2014-10: Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

AASB 2015-2: Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101
AASB 2015-6: Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities

Notes to the financial statements (continued)

For the year ended 30 June 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) 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 22 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.

(d) 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 Group's normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or a cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

The Group classifies all other assets as non-current.

A liability is current when:

- It is expected to be settled in the Group's 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.

(e) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is received. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Group has concluded that it is the acting as a principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements, has pricing latitude and is also exposed to credit risks. The specific recognition criteria described below must also be met before revenue is recognised.

Notes to the financial statements (continued)
For the year ended 30 June 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Revenue (continued)

(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 deferred or unearned income

(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 deferred or unearned income.

(iv) Interest income

Interest revenue is recognised as interest accrues using the effective interest rate method (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

(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).

(f) 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.

(g) 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%.

Notes to the financial statements (continued)

For the year ended 30 June 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except:

- when the GST incurred on a sale or purchase of assets or services is not payable to or recoverable from the taxation authority, in which case the GST is recognised as part of the revenue or the expense item or as part of the cost of acquisition of the asset, as applicable
- when receivables and payables are stated with the amount of GST included

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as part of operating cash flows.

(i) 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.

(j) 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.

(k) 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.

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.

Notes to the financial statements (continued)

For the year ended 30 June 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Property, plant and equipment (continued)

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.

(l) 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.

(m) 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.

Notes to the financial statements (continued)
For the year ended 30 June 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Investment in associates (continued)

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 22.

(n) 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.

(o) Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease. An operating lease is a lease other than a finance lease.

Operating lease payments are recognised as an operating expense in the statement of profit or loss and other comprehensive income on a straight-line basis over the lease term.

(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.

Notes to the financial statements (continued)

For the year ended 30 June 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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.

(r) Provisions and employee benefit liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss and other comprehensive income net of any reimbursement.

Wages and salaries

Liabilities for wages and salaries, including non-monetary benefits, which are expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

Long service leave and annual leave

The Group does not expect its long service leave or annual leave benefits to be settled wholly within 12 months of each reporting date. The Group recognises a liability for long service leave and annual leave measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(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.

Notes to the financial statements (continued)

For the year ended 30 June 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Financial instruments (continued)

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.

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).

Notes to the financial statements (continued)

For the year ended 30 June 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Financial instruments (continued)

Impairment (continued)

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.

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 and assets available for sale such as Australian listed equities, global listed equities and interest bearing securities, at fair value at each reporting 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.

Notes to the financial statements (continued)

For the year ended 30 June 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) Fair value measurement (continued)

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

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

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 2015

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

	CONSOLIDATED		*PARENT*	
	2015	*2014*	*2015*	*2014*
	$	*$*	*$*	*$*
Financial assets				
Cash and cash equivalents	3,590,174	7,774,720	1,140,324	1,561,323
	3,590,174	7,774,720	1,140,324	1,561,323

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

At the reporting 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*	
	2015	*2014*	*2015*	*2014*
	$	*$*	*$*	*$*
Post tax profit				
+ 1%	35,897	44,495	17,723	13,423
- 1%	(35,897)	(44,495)	(17,723)	(13,423)

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 2015

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 2015

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 2015					
Liquid financial assets					
Cash and cash equivalents	3,590,174	-	-	-	3,590,174
Trade and other receivables	1,198,314	-	-	-	1,198,314
Other assets	642,074	-	-	-	642,074
	5,430,562	-	-	-	5,430,562
Financial liabilities					
Trade and other payables	938,819	-	-	-	938,819
	938,819	-	-	-	938,819
Net inflow	4,491,743	-	-	-	4,491,743

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	2,313,423	-	-	-	2,313,423
	11,257,676	-	-	-	11,257,676
Financial liabilities					
Trade and other payables	564,334	10,000	-	-	574,334
Security deposit held in trust	-	-	53,995	-	53,995
	564,334	10,000	53,995	-	628,329
Net inflow/(outflow)	10,693,342	(10,000)	(53,995)	-	10,629,347

PARENT	*≤6 months* $	*6-12 months* $	*1-5 years* $	*>5years* $	*Total* $
Year ended 30 June 2015					
Liquid financial assets					
Cash and cash equivalents	1,140,324	-	-	-	1,140,324
Trade and other receivables	1,139,182	-	-	-	1,139,182
Other assets	156,134	-	-	-	156,134
	2,435,640	-	-	-	2,435,640
Financial liabilities					
Trade and other payables	630,923	-	-	-	630,923
	630,923	-	-	-	630,923
Net inflow	1,804,717	-	-	-	1,804,717

Notes to the financial statements (continued)

For the year ended 30 June 2015

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 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	5,329	-	-	-	5,329
	2,962,273	-	-	-	2,962,273
Financial liabilities					
Trade and other payables	561,833	418,300	-	-	980,133
Security deposit held in trust	-	-	53,995	-	53,995
	561,833	418,300	53,995	-	1,034,128
Net inflow/(outflow)	2,400,440	(418,300)	(53,995)	-	1,928,145

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 2015:

			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:					
CONSOLIDATED					
Investment properties (Note 13)	30 June 2015	8,750,000	-	8,750,000	-
Assets available for sale (Note 11)		4,329,389	4,329,389	-	-
PARENT					
Investment in The Guild Properties (Victoria) Unit Trust	30 June 2015	8,169,688	-	8,169,688	-

Notes to the financial statements (continued)

For the year ended 30 June 2015

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 financial instruments, 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 Property Dynamics, an independent valuation specialist, to assess fair value as at 30 June 2015 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, financial instruments 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. A $36,027 impairment loss has been recorded on the financial assets due to significant diminution in certain investment balances.

Notes to the financial statements (continued)

For the year ended 30 June 2015

	CONSOLIDATED		PARENT	
	2015	2014	2015	2014
	$	$	$	$
5 REVENUE AND OTHER INCOME				
(a) Revenue				
Membership contributions received by the Branch	2,202,130	2,194,030	2,202,130	2,194,030
Commissions	414,786	433,873	414,786	433,873
Interest	226,231	183,025	23,057	22,688
Sundry income	405,742	131,173	405,742	131,173
Rental income Guild Properties	599,042	393,388	-	-
Distribution income from The Guild Properties (Victoria) Unit Trust	-	-	527,522	644,990
Training income	370,024	501,371	370,024	501,371
Quality care pharmacy program project income	630,326	604,781	630,326	604,781
5CPA state based support	-	20,977	-	20,977
East Melb. Medicare Local	15,000	-	15,000	-
	4,863,281	4,462,618	4,588,587	4,553,883
(b) Share of profit from joint venture entity	817,707	205,564	-	-
(c) (Loss)/gain on divestment of investment	(769)	7,172,214	-	-
(d) Gain on revaluation of investment property	-	616,233	-	-
(e) Other income				
Other rental income	98,484	89,264	98,484	89,264
Gain from sale of assets	-	5,523	-	5,523
Distribution income from The Guild (Victoria) Computer Unit Trust	-	-	871,485	316,865
Management fees	-	-	177,600	-
Dividends income	106,309	-	-	-
	204,793	94,787	1,147,569	411,652
Total income	5,885,012	12,551,416	5,736,156	4,965,535

In 2014 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 profit and loss.

Notes to the financial statements (continued)

For the year ended 30 June 2015

	CONSOLIDATED		*PARENT*	
	2015	*2014*	*2015*	*2014*
	$	*$*	*$*	*$*
6 INCOME TAX				
(a) Income tax expense				
Major components of income tax expense are:				
Statement of profit or loss and other comprehensive income				
Current income tax				
Current income tax charge	(6,659)	48,101		
Capital gains tax on partial disposal of investment in FRED IT Group	29,280	1,257,847	-	-
Income tax expense reported in statement of profit or loss and other comprehensive income	22,621	1,305,948	-	-
(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% (2014: 30%)	-	48,101	-	-
Capital gain tax	29,280	1,257,847	-	-
Aggregate income tax expense	29,280	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	1,279,912	1,289,772	1,279,912	1,289,772
Committee fees and allowances for attendance at meetings and conferences	11,080	10,680	11,080	10,680

Notes to the financial statements (continued)

For the year ended 30 June 2015

	CONSOLIDATED		*PARENT*	
	2015	*2014*	*2015*	*2014*
	$	*$*	*$*	*$*
7 PROFIT FOR THE YEAR (continued)				
Profit for the year has been determined after charging (continued):				
Expenses (continued)				
Employee benefit relating to 'Holders of Offices'				
- wages and salaries	391,103	355,254	391,103	355,254
- superannuation	41,694	37,540	41,694	37,540
- leave and other entitlements	24,118	33,487	24,118	33,487
- Branch Committee allowance	3,000	3,000	3,000	3,000
	459,915	429,281	459,915	429,281
Employee benefit relating to employees 'Other than Holders of Offices'				
- wages and salaries	1,670,169	1,642,629	1,670,169	1,642,629
- superannuation	259,613	241,715	259,613	241,715
- leave and other entitlements	217,560	207,318	217,560	207,318
Total employee benefits	2,147,342	2,091,662	2,147,342	2,091,662
Grants and donations				
- donations	62,863	52,222	62,863	52,222
	62,863	52,222	62,863	52,222

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				
- other legal matters	19,859	27,684	19,859	14,233
	19,859	27,684	19,859	14,233
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 2015

	CONSOLIDATED		PARENT	
	2015	2014	2015	2014
	$	$	$	$
8 CASH AND CASH EQUIVALENTS				
Cash at bank and on hand	3,590,174	1,574,720	1,140,324	1,561,323
Term deposits	-	6,200,000	-	-
	3,590,174	7,774,720	1,140,324	1,561,323

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	1,084,243	1,104,664	1,084,243	1,104,664
Other receivables	53,844	41,704	32,070	41,704
	1,138,087	1,146,368	1,116,313	1,146,368
Related party receivables	60,227	23,165	22,869	249,253
	1,198,314	1,169,533	1,139,182	1,395,621

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	41,594	78,771	19,820	78,771
Past due but not impaired:				
< 30 days	1,048,702	86,102	1,048,702	86,102
30 - 60 days	20,788	955,973	20,788	955,973
61 - 90 days	7,782	10,570	7,782	10,570
> 90 days	19,221	14,952	19,221	14,952
	1,096,493	1,067,597	1,096,493	1,067,597
Total trade and other receivables	1,138,087	1,146,368	1,116,313	1,146,368

(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 18.

(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 2015

	CONSOLIDATED		PARENT	
	2015	2014	2015	2014
	$	$	$	$
10 OTHER ASSETS				
Prepayments	105,800	173,349	105,800	173,347
Accrued income	642,074	2,368,712	156,134	60,618
	747,874	2,542,061	261,934	233,965

Included in accrued income is an amount held in escrow relating to the 2014 FRED IT transaction, amounting to $422,250 (2014: estimated earn-out amount from sale of part of the Group's investment in FRED IT Group Pty Limited's shares $1,992,030).

11 ASSETS AVAILABLE-FOR-SALE

At Fair Value				
Australian listed equities	1,623,560	-	-	-
Global listed equities	730,169	-	-	-
Interest bearing securities	1,975,660	-	-	-
	4,329,389	-	-	-

As at 30 June 2015, the Group held the following available for sale financial instruments measured at fair value:

	Level 1	Level 2	Level 3
	$	$	$
Australian listed equities	1,623,560	-	-
Global listed equities	730,169	-	-
Interest bearing securities	1,975,660	-	-

12 PROPERTY, PLANT AND EQUIPMENT

Land and buildings				
At fair value	-	-	-	-
Accumulated depreciation	-	-	-	-
Net carrying amount	-	-	-	-
Plant and equipment				
At cost	990,832	1,230,345	990,832	1,230,345
Accumulated depreciation	(679,423)	(835,185)	(679,423)	(835,185)
Net carrying amount	311,409	395,160	311,409	395,160
Motor vehicles				
At cost	154,146	154,146	154,146	154,146
Accumulated depreciation	(81,823)	(59,865)	(81,823)	(59,865)
Net carrying amount	72,323	94,281	72,323	94,281
Total property, plant and equipment				
At fair value	-	-	-	-
At cost	1,144,978	1,384,491	1,144,978	1,384,491
At cost	1,144,978	1,384,491	1,144,978	1,384,491
Accumulated depreciation	(761,246)	(895,050)	(761,246)	(895,050)
Net carrying amount	383,732	489,441	383,732	489,441

Notes to the financial statements (continued)

For the year ended 30 June 2015

	CONSOLIDATED		*PARENT*	
	2015	*2014*	*2015*	*2014*
	$	*$*	*$*	*$*
12 PROPERTY, PLANT AND EQUIPMENT				
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	-	-
Net carrying amount	-	4,050,000	-	-
Transferred to investment properties	-	(4,050,000)	-	-
Balance at the end of the year - net carrying amount	-	-	-	-
Plant and equipment				
Balance at the beginning of the year				
At cost	1,230,792	1,164,848	1,230,792	1,164,848
Accumulated depreciation	(835,632)	(728,088)	(835,632)	(728,088)
Net carrying amount	395,160	436,760	395,160	436,760
Additions	30,341	66,433	30,341	66,433
Disposals	-	(489)	-	(489)
Depreciation charge for the year	(114,092)	(107,544)	(114,092)	(107,544)
Balance at the end of the year - net carrying amount	311,409	395,160	311,409	395,160
Motor vehicles				
Balance at the beginning of the year				
At cost	228,299	186,911	228,299	186,911
Accumulated depreciation	(134,018)	(110,318)	(134,018)	(110,318)
Net carrying amount	94,281	76,593	94,281	76,593
Additions	-	54,914	-	54,914
Disposals	-	(13,526)	-	(13,526)
Depreciation charge for the year	(21,958)	(23,700)	(21,958)	(23,700)
Balance at the end of the year - net carrying amount	72,323	94,281	72,323	94,281
Total property, plant and equipment				
Balance at the beginning of the year				
At fair value	-	4,050,000	-	-
At cost	1,459,091	1,351,759	1,459,091	1,351,759
	1,459,091	5,401,759	1,459,091	1,351,759
Accumulated depreciation	(969,650)	(838,406)	(969,650)	(838,406)
Net carrying amount	489,441	4,563,353	489,441	513,353
Transferred to investment properties	-	(4,050,000)	-	-
Additions	30,341	121,347	30,341	121,347
Disposals	-	(14,015)	-	(14,015)
Depreciation charge for the year	(136,050)	(131,244)	(136,050)	(131,244)
Balance at the end of the year - net carrying amount	383,732	489,441	383,732	489,441

Notes to the financial statements (continued)

For the year ended 30 June 2015

13 INVESTMENT PROPERTY

	CONSOLIDATED		PARENT	
	2015	2014	2015	2014
	$	$	$	$
Opening balance at 1 July	8,750,000	4,050,000	-	-
Additions	-	33,767	-	-
Transferred from land and buildings	-	4,050,000	-	-
Net gain from fair value adjustments	-	616,233	-	-
Closing balance at 30 June	8,750,000	8,750,000	-	-
Investments in freehold land and buildings	8,750,000	8,750,000	-	-

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

	Valuation technique	*Significant unobservable Inputs*	*Range (weighted average)*	
			2015	*2014*
Investment properties	DCF method	Estimated office area rental per sqm per month	$300	$290
		Estimated car space rental per sqm per month	$200	$200
		Discount rate	7.75%	7.75%

(b) The land and building was independently valued at $8,750,000 by Property Dynamics as at 30 June 2015. 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 $nil being recognised within the profit and loss for the year ended 30 June 2015 (2014: $616,233), 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 2014, 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.

14 INVESTMENT ACCOUNTED FOR USING THE EQUITY METHOD

	CONSOLIDATED	
	2015	2014
	$	$
Investment in joint venture entity, FRED IT Group Pty Ltd	3,915,476	3,447,769

The equity interest in FRED IT Group Pty Ltd is 35% (2014: 35%) and has been equity accounted.

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

Balance at 1 July	3,447,769	4,331,721
Add: share of joint venture entity's profit after income tax	817,707	205,564
Add: dividend revenue not received	-	300,000
Less: dividend revenue from joint venture entity	(350,000)	-
Less: share of investment disposed of	-	(1,389,516)
Balance at 30 June	3,915,476	3,447,769

Notes to the financial statements (continued)

For the year ended 30 June 2015

14 INVESTMENT ACCOUNTED FOR USING THE EQUITY METHOD (continued)

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

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

Extract from the joint venture's statement of financial position

	2015	*2014*
	$	*$*
Current assets	4,391,589	5,767,629
Non-current assets	15,822,637	14,400,461
	20,214,226	20,168,090
Current liabilities	7,743,938	9,269,128
Non-current liabilities	2,347,481	2,112,461
	10,091,419	11,381,589
Net assets	10,122,807	8,786,501
Share of joint venture entity's net assets 35% (2014: 35%)	3,542,982	3,075,275
Extract from the joint venture's statement of profit or loss and other comprehensive income		
Revenue	40,250,255	36,715,996
Net profit after tax	2,336,306	587,326

15 TRADE AND OTHER PAYABLES

	CONSOLIDATED		*PARENT*	
	2015	*2014*	*2015*	*2014*
	$	*$*	*$*	*$*
Current				
Trade payables and accruals	751,093	476,435	412,611	452,134
Unearned revenue	966,030	839,758	966,030	839,758
Deferred revenue	933,162	1,695,496	933,162	1,695,496
Progress receipts from divestment	-	-	-	503,447
Security deposit held in trust	53,995	-	53,995	-
	2,704,280	3,011,689	2,365,798	3,490,835
Related party payables	133,731	97,899	164,317	24,552
	2,838,011	3,109,588	2,530,115	3,515,387
Non-current				
Security deposit held in trust	-	53,995	-	53,995
	-	53,995	-	53,995

Trade 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 18.
- 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 2015

16 EMPLOYEE BENEFIT LIABILITIES

	CONSOLIDATED		*PARENT*	
	2015	*2014*	*2015*	*2014*
	$	*$*	*$*	*$*
Current				
Annual leave	138,829	126,372	138,829	126,372
Long service leave	213,847	188,987	213,847	188,987
	352,676	315,359	352,676	315,359
Non-current				
Long service leave	36,351	63,693	36,351	63,693
Total employee benefit liabilities	389,027	379,052	389,027	379,052

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*	
	2015	*2014*	*2015*	*2014*
	$	*$*	*$*	*$*
Analysis of total employee benefit liabilities:				
Balance at 1 July	379,052	369,350	379,052	369,350
Increase in provisions during the year	-	9,702	-	9,702
Amounts used	-	-	-	-
Balance at 30 June	379,052	379,052	379,052	379,052
Employee benefit liabilities are analysed as follows:				
Relating to 'Holders of Offices'				
- Annual leave	-	-	-	-
- Long service leave	-	-	-	-
- Separation and redundancies	-	-	-	-
- Other employee provisions	-	-	-	-
Relating to employees ('other than Holders of Offices')				
- Annual leave	138,829	126,372	138,829	126,372
- Long service leave	250,198	252,680	250,198	252,680
- Separation and redundancies	-	-	-	-
- Other employee provisions	-	-	-	-
Total employee benefit liabilities	389,027	379,052	389,027	379,052

No provisions were made for employee benefits relating to Branch Committee (2014: Nil).

No provisions were made for separation and redundancies or other employee provisions (2014: Nil).

Notes to the financial statements (continued)

For the year ended 30 June 2015

16 EMPLOYEE BENEFIT LIABILITIES (continued)

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.

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*	
	2015	*2014*	*2015*	*2014*
	$	*$*	*$*	*$*
Current leave obligations expected to be settled after 12 months	189,853	168,422	189,853	168,422

Notes to the financial statements (continued)

For the year ended 30 June 2015

17 STATEMENT OF CASH FLOWS RECONCILIATION

	CONSOLIDATED		*PARENT*	
	2015	*2014*	*2015*	*2014*
	$	*$*	*$*	*$*
Reconciliation of net profit for the year to net cash flows from operations				
Profit/(loss) for the year	356,432	6,434,538	378,222	(74,805)
Adjustments for:				
Depreciation	136,050	131,244	136,050	131,244
Gain on revaluation of investment property	-	(616,233)	-	-
Distribution income from The Guild (Victoria) Computer Unit Trust	-	-	(871,485)	(316,865)
Loss/(gain) on partial sale of FRED IT Group Pty Limited's shares classified as investing activities	-	(7,172,214)	-	-
Dividend income classified as investing cash flow	(106,309)	-	-	-
Loss on divestment of other investments	769	-	-	-
Share of profit from joint venture entity	(817,707)	(205,564)	-	-
Changes in assets and liabilities				
Decrease/(Increase) in trade and other receivables	(28,781)	404,465	1,023,818	178,377
Decrease/(Increase) in other assets	1,794,187	(136,637)	(27,969)	(125,791)
(Decrease)/Increase in trade and other payables	(271,577)	371,524	(985,272)	777,325
(Decrease)/Increase in income tax payable	(1,305,948)	1,305,948	-	-
(Decrease)/Increase in employee benefit liabilities	9,975	9,702	9,975	9,702
(Decrease)/Increase in other liabilities	(53,995)	-	(53,995)	-
Net cash flows (used in)/from operating activities	(286,904)	526,773	(390,656)	579,187
Cash flow information				
Cash inflows	7,521,673	11,315,076	5,888,489	4,841,062
Cash outflows	(11,705,450)	(4,664,922)	(6,309,488)	(4,402,972)

	2015	*2014*
	$	*$*
Cash flow information related to controlled entities		
Cash inflows		
The Guild (Victoria) Computer Unit Trust	753,838	6,474,014
The Guild Properties (Victoria) Unit Trust	879,346	-
Care Energy Australia Pty Ltd	-	-
Cash outflows		
The Guild (Victoria) Computer Unit Trust	(4,761,034)	(261,950)
The Guild Properties (Victoira) Unit Trust	(634,928)	-
Care Energy Australia Pty Ltd	-	-

Notes to the financial statements (continued)

For the year ended 30 June 2015

18 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

Mr. A Tassone	Branch President since 22 October 2013
Mr. A Pricolo	Vice President since 10 February 2015
Mr. Hassan (Sam) El-Ahmad	Vice President since 10 February 2015
Mr. G Tambasssis	National President since October 2013
Mr. B Robertson	Vice President – Treasurer
Mr. Kin Chong	Vice President – Finance since 10 February 2015
Mr. S Hall	Branch Committee
Ms. Grace Chong	Branch Committee
Mr. Vin Naidu	Branch Committee
Mr. Nader Mitri	Branch Committee
Mr. P Krassaris	Branch Committee
Mr. W J Scott	Branch Committee
Mr. R Kilpatrick	Branch Committee to 23 September 2014
Mr. D R Sanghvi	Branch Vice President to 23 September 2014
Mr. R J C Foster	Branch Committee to 23 September 2014
Mr. K Gray	Branch Committee to 23 September 2014

FRED IT Group Pty Limited

W J Scott	Director FRED IT Group Pty Limited
P Krassaris	Director FRED IT Group Pty Limited

All related party transactions are at arm's length.

	CONSOLIDATED		*PARENT*	
	2015	*2014*	*2015*	*2014*
	$	*$*	*$*	*$*
(b) Balances with related parties				
(i) Amounts payable to related parties:				
Amounts included in trade and other payables - Note 15				
The Pharmacy Guild of Australia (National Secretariat)	133,731	8,197	133,733	8,197
The Pharmacy Guild of Australia (Queensland)	-	60	-	60
The Guild Properties (Victoria) Unit Trust	-	-	30,584	16,295
Fred IT Group Pty Limited	-	89,642	-	-
	133,731	97,899	164,317	24,552
(ii) Amounts receivable from related parties:				
Amounts included in trade and other receivables - Note 9				
The Pharmacy Guild of Australia (National Secretariat)	1,077	22,044	1,077	22,044
The Pharmacy Guild of Australia (NSW)	-	-	-	-
Guild Pharmacy Academy	-	1,121	-	1,121
Gold Cross Products and Services Pty Ltd	-	-	-	-
The Guild Properties (Victoria) Unit Trust	59,150	-	-	-
Pharmacy Computers Australia Pty Ltd	-	-	-	226,088
Care Energy Australia Pty Ltd	-	-	21,792	-
Guild Insurance & Financial Services Ltd	-	-	-	-
	60,227	23,165	22,869	249,253

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

Notes to the financial statements (continued)

For the year ended 30 June 2015

18 RELATED PARTY DISCLOSURES (continued)

(c) Transactions with related parties

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

Membership contributions paid by Victorian Branch

	CONSOLIDATED		*PARENT*	
	2015	*2014*	*2015*	*2014*
	$	*$*	*$*	*$*
The Pharmacy Guild of Australia National Secretariat	1,279,912	1,289,772	1,279,912	1,289,772

Terms: 58.16% (2014: 58.79%) of gross membership fees received.

Share of dividends paid/(reversed) by Pharmacy Computers Australia Pty Ltd

The Pharmacy Guild of Australia (National Secretariat)	8,750	(7,500)	8,750	(7,500)
The Pharmacy Guild of Australia (NSW)	31,500	(33,220)	31,500	(33,220)
The Pharmacy Guild of Australia (Queensland)	11,375	(16,915)	11,375	(16,915)
The Pharmacy Guild of Australia (ACT)	7,000	(1,977)	7,000	(1,977)
The Pharmacy Guild of Australia (SA)	7,000	(5,413)	7,000	(5,413)
The Pharmacy Guild of Australia (Tasmania)	7,000	(3,285)	7,000	(3,285)
The Pharmacy Guild of Australia (WA)	7,875	(5,682)	7,875	(5,682)
The Pharmacy Guild of Australia (NT)	7,000	(1,008)	7,000	(1,008)
	87,500	(75,000)	87,500	(75,000)

Terms: 25% of the dividends received / receivable from Pharmacy Computers Australia Pty Ltd by the Branch are apportioned as follows: 10% to The Pharmacy Guild of Australia National Secretariat and the balance to other branches pro-rata based on sales by state.

Other related parties

Pharmacy Computers Australia Pty Ltd Dividends received	350,000	-	-	-

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	96,881	93,347	96,881	93,347
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	299,440	325,260	299,440	325,260
Building costs & maintenance paid by Victorian Branch to Guild Properties Victoria Unit Trust Terms: Normal commercial terms	99,973	99,501	99,973	99,501

Notes to the financial statements (continued)

For the year ended 30 June 2015

18 RELATED PARTY DISCLOSURES (continued)

(d) Cash flow movements with related parties

	CONSOLIDATED 2015 $	CONSOLIDATED 2014 $	PARENT 2015 $	PARENT 2014 $
(i) Receipts from related parties				
Other branches				
The Pharmacy Guild of Australia (National Secretariat)	822,534	689,739	822,534	689,739
The Pharmacy Guild of Australia (ACT)	-	71	-	71
The Pharmacy Guild of Australia (NSW)	779	71	779	71
The Pharmacy Guild of Australia (Queensland)	1,870	71	1,870	71
The Pharmacy Guild of Australia (SA)	174	153	174	153
The Pharmacy Guild of Australia (Tasmania)	-	71	-	71
The Pharmacy Guild of Australia (WA)	-	97	-	97
Guild Pharmacy Academy	59,752	73,529	59,752	73,529
Gold Cross Products and Services Pty Ltd	96,144	105,284	96,144	105,284
Guild Insurance & Financial Services Ltd	290,550	333,175	290,550	333,175
	1,271,803	1,202,261	1,271,803	1,202,261

	CONSOLIDATED 2015 $	CONSOLIDATED 2014 $	PARENT 2015 $	PARENT 2014 $
(ii) Payments to related parties				
Other branches				
The Pharmacy Guild of Australia (National Secretariat)	1,241,878	1,493,848	1,241,878	1,493,848
The Pharmacy Guild of Australia (NSW)	-	2,820	-	2,820
The Pharmacy Guild of Australia (NT)	60	-	60	-
The Pharmacy Guild of Australia (Queensland)	-	590	-	590
The Pharmacy Guild of Australia (SA)	-	908	-	908
The Pharmacy Guild of Australia (Tasmania)	-	5,415	-	5,415
Guild Group	34,013	39,922	34,013	39,922
	1,275,951	1,543,503	1,275,951	1,543,503

19 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 2015 $	CONSOLIDATED 2014 $	PARENT 2015 $	PARENT 2014 $
Wages and salaries	391,103	355,254	391,103	355,254
Superannuation	41,694	37,540	41,694	37,540
Leave and other entitlements	24,118	33,487	24,118	33,487
Branch Committee allowance	3,000	3,000	3,000	3,000
Total compensation	459,915	429,281	459,915	429,281

Notes to the financial statements (continued)

For the year ended 30 June 2015

20 EVENTS AFTER THE REPORTING PERIOD

On the 13th July 2015, The Pharmacy Guild of Australia – Victorian Branch entered into a contract for refurbishment of the property at 40 Burwood Rd, Hawthorn. This contract has created a capital commitment for the organisation, totalling $298,330. This commitment is due to be completed by October 2015.

21 RESERVES

	Revaluation reserve	Income reserve - capital gain	Available for sale reserve	Total
At 1 July 2013	1,425,624	-	-	1,425,624
Transfer within equity (Note13(b))	(1,425,624)	-	-	(1,425,624)
Transfer of undistributed capital gain	-	5,893,106	-	5,893,106
At 30 June 2014	-	5,893,106	-	5,893,106
Net fair value gain in assets available for sale	-	-	6,548	6,548
At 30 June 2015	-	5,893,106	6,548	5,899,654

Revaluation reserve

The revaluation reserve records the revaluations of land and buildings. 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.

Available for sale reserve

The available for sale reserve is used to record increments and decrements in available-for-sale investments to the extent that they offset one another. The reserve can only be used to pay dividends in limited circumstances.

22 CONTROLLED ENTITIES CONSOLIDATED

Subsidiaries or associated entities of The Pharmacy Guild of Australia, Victoria	Country of incorporation	Percentage Owned (%) *2015*	*2014*
Pharmacy Computers Australia Pty Ltd	Australia	100	100
The Guild (Victoria) Computer Unit Trust	Australia	100	100
Care Energy Australia Pty Ltd	Australia	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 (%) *2015*	*2014*
FRED IT Group Pty Ltd	Australia	35	35

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

Notes to the financial statements (continued)
For the year ended 30 June 2015

23 CAPITAL AND LEASING COMMITMENTS

(a) Operating lease commitments
Commitments for minimum operating lease payment in relation to operating leases are payable as follows:

	CONSOLIDATED		*PARENT*	
	2015	*2014*	*2015*	*2014*
	$	*$*	*$*	*$*
Within one year	4,956	-	4,956	-
After one year but not more than five years	8,674	-	8,674	-
Total minimum lease payments	13,630	-	13,630	-

(b) Capital commitments
There were no capital commitments as at 30 June 2015 (30 June 2014: Nil).

24 AUDITOR'S REMUNERATION

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

	2015	*2014*
	$	*$*
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	41,200	40,000
• other services in relation to the entity and any other entity in the consolidated group		
- accounting assistance	5,000	15,000
- other services	10,000	10,000
	56,200	65,000

Notes to the financial statements (continued)
For the year ended 30 June 2015

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 (2014: 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 2015.

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 2015 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, none of the 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.

(e) Number of members:

As at 30 June 2015 the number of members of The Pharmacy Guild of Australia, Victoria was 830 including Honorary Life & 50 Year Life Members.

(f) Number of employees:

As at 30 June 2015 the number of employees of The Pharmacy Guild of Australia, Victoria was 33.

(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	Branch President
Mr. A Pricolo	Vice President since 10 February 2015
Mr. Hassan (Sam) El-Ahmad	Vice President since 10 February 2015
Mr. G Tambasssis	National President since October 2013
Mr. B Robertson	Vice President – Treasurer
Mr. Kin Chong	Vice President – Finance since 10 February 2015
Mr. S Hall	Branch Committee
Ms. Grace Chong	Branch Committee

Operating report (continued)

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

Mr. Nader Mitri	Branch Committee
Mr. P Krassaris	Branch Committee
Mr. W J Scott	Branch Committee
Mr. R Kilpatrick	Branch Committee to 23 September 2014
Mr K Gray	Branch Committee
Mr. D R Sanghvi	Branch Vice President to 23 September 2014
Mr. R J C Foster	Branch Committee to 23 September 2014
Mr. K Gray	Branch Committee to 23 September 2014

(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 Pharmacy Guild of Australia, Victoria.

ANTHONY TASSONE
Branch President

3 September 2015

Committee of management statement

On 3 September 2015, 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 2015.

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 2015;

(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 2015.

ANTHONY TASSONE
Branch President

3 September 2015

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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 2015, 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 2015 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

FCampbell

Fiona M Campbell
Melbourne
3 September 2015

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FCA 89049

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The Pharmacy Guild of Australia
VIC Branch

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