FairWork Commission

10 October 2016

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

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

Dear Mr Crosthwaite

Re: Lodgement of financial accounts and statements – Pharmacy Guild of Australia, Victorian Branch - year ended 30 June 2016 (FR2016/284)

I refer to the financial report for the year ended 30 June 2016 for the Pharmacy Guild of Australia, Victorian Branch. The documents were lodged with the Fair Work Commission on 28 September 2016.

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

Please note the financial report for the year ending 30 June 2017 may be subject to an advanced compliance review.[1]

You are not required to take any further action in relation to the report lodged. I make the following comments to assist you when preparing next year's report.

Non-compliance with previous request

While last year's financial report was filed, certain issues were raised for the reporting unit to address in the preparation of future financial reports. I note that the same errors appeared in the 2016 report, as follows: - (1) the omission of disclosure of aggregate totals for grants and for donations by the categories[2] required by Reporting Guideline 16(e), or, as appropriate, the explicit disclosure of nil-activity, as required by Reporting Guideline 17; and (2) the omission of disclosure of any legal cost payables, by the categories[3] required by

[1] A copy of the checklist used in an advanced compliance review is available at https://www.fwc.gov.au/documents/documents/organisations/factsheets/org-financial-report-checklist-advanced.pdf

[2] i.e. $1,000 and less [RG16(e)(i), (iii)]; and exceeding $1,000 [RG16(e)(ii),(iv)]

[3] i.e. "litigation" [RG20(b)(i)] and "other legal matters" [RG20(b)(ii)]

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Reporting Guideline 20(b), or, as appropriate, an explicit disclosure of nil-activity, as required by Reporting Guideline 21.

Based on discussion on 7 October 2016 with Ms Linda Wong, Chief Financial Officer, and indications in the report[4], it appears the omissions were attributable to a misunderstanding of the Reporting Guideline requirements. I have clarified the requirements and Ms Wong has confirmed these errors will be rectified in next year's report.

The FWC aims to assist reporting units in complying with their obligations under the RO Act and Reporting Guidelines, by providing advice about the errors identified in financial reports. Please note that failure to address issues that are identified may lead to the General Manager exercising her powers under section 330 of the RO Act.

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 assists 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.[5]

If you require further information on the financial reporting requirements of the Act, or wish to discuss the above, I may be contacted by email at stephen.kellett@fwc.gov.au.

Yours sincerely

Stephen Kellett

Stephen Kellett
Senior Adviser
Regulatory Compliance Branch

[4] Although there was no disclosure for legal cost *payables* under Note 15, the categories "litigation" and "other legal matters" were disclosed for legal cost *expenses* under Note 7 reflecting separate Reporting Guideline 16(j); although grants and donations disclosure under Note 7 was incomplete and did not reflect Reporting Guidelines 16 and 17, it included a reference to the Statement of Loans, Grants and Donations lodged under s237 in respect of *"grants/donations greater than $1,000"* (sic).

[5] https://www.fwc.gov.au/registered-organisations/compliance-governance/financial-reporting

The Pharmacy Guild of Australia

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER
For the Financial Year Ended 30 June 2016

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 2016 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 2016 were made available to members free of charge on 1st September 2016; and

3. The full report was presented at the Annual General Meeting of the Pharmacy Guild of Australia, Victoria Branch on 27 September 2016 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

President
The Pharmacy Guild of Australia, Victoria

28 September 2016

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 2016

Contents

Statement of profit or loss and other comprehensive income

For the year ended 30 June 2016

	Note	*Consolidated* 2016 $	*Consolidated* 2015 $	*Parent* 2016 $	*Parent* 2015 $
INCOME					
Revenue	5(a)	3,759,984	4,863,281	3,589,692	4,588,587
Share of profit from joint venture entity	5(b)	498,384	817,707	-	-
(Loss)/gain on divestment of investment	5(c)	32,653	(769)	-	-
Gain on revaluation of investment property	5(d)	1,098,205	-	-	-
Other Income	5(e)	294,756	204,793	811,638	1,147,569
		5,683,983	**5,885,012**	**4,401,331**	**5,736,156**
PROJECT PAYMENTS AND OTHER EXPENSES					
Administration		(428,327)	(643,680)	(659,040)	(757,121)
Management fees		(7,959)	(7,800)	(160)	-
Building outgoings		(220,003)	(339,656)	(83,599)	(129,883)
Committee fees and allowances		(7,320)	(11,080)	(7,320)	(11,080)
Depreciation		(134,177)	(136,050)	(134,177)	(136,050)
Employee benefit expenses		(2,799,668)	(2,638,729)	(2,799,668)	(2,638,729)
Legal and professional fees		(350,517)	(144,620)	(165,960)	(136,754)
Membership contributions to National Council		(734,878)	(1,279,912)	(734,878)	(1,279,912)
National Secretariat and Branch contributions		-	(87,500)	-	(87,500)
Impairment expenses		(88,217)	(36,027)	-	-
Public relations		(108,363)	(72,259)	(103,548)	(72,259)
Travelling expenses		(106,050)	(107,577)	(106,050)	(107,577)
Minimum lease payments - operating lease		(9,491)	(1,069)	(9,491)	(1,069)
Assets written off		(1,019)		(1,019)	
		(4,995,988)	**(5,505,959)**	**(4,804,911)**	**(5,357,934)**
PROFIT/(LOSS) BEFORE INCOME TAX	**7**	**687,995**	**379,053**	**(403,581)**	**378,222**
Income tax expense	6	-	(22,621)	-	-
PROFIT/(LOSS) FOR THE YEAR	**7**	**687,995**	**356,432**	**(403,581)**	**378,222**
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		58,392	6,548	-	-
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		58,392	6,548	-	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR		**58,392**	**6,548**	**-**	**-**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**746,387**	**362,980**	**(403,581)**	**378,222**

Statement of profit or loss and other comprehensive income
(Continued)
For the year ended 30 June 2016

	Consolidated		Parent	
	2016	*2015*	*2016*	*2015*
	$	*$*	*$*	*$*
Profit/(loss) attributable to:				
Members of the parent entity	744,096	356,432	(403,581)	378,222
Non-controlling interest	2,290	-	-	-
	746,387	**356,432**	**(403,581)**	**378,222**
Other comprehensive income attributable to:				
Members of the parent entity	58,392	6,548	-	-
Non-controlling interest	-	-	-	-
	58,392	**6,548**	**-**	**-**
Total comprehensive income attributable to:				
Members of the parent entity	802,488	362,980	(403,581)	378,222
Non-controlling interest	2,290	-	-	-
	804,779	**362,980**	**(403,581)**	**378,222**

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 2016

	Note	Consolidated 2016 $	Consolidated 2015 $	Parent 2016 $	Parent 2015 $
CURRENT ASSETS					
Cash and cash equivalents	8	2,664,484	3,590,174	1,263,105	1,140,324
Trade and other receivables	9	1,055,430	1,198,314	1,221,132	1,139,182
Other assets	10	474,866	747,874	110,001	261,934
		4,194,780	5,536,362	2,594,239	2,541,440
Assets available for sale	11	4,495,738	4,329,389	-	-
TOTAL CURRENT ASSETS		8,690,517	9,865,751	2,594,239	2,541,440
NON-CURRENT ASSETS					
Investment in subsidiary		-	-	175,002	175,002
Property, plant and equipment	12	280,399	383,732	280,399	383,732
Assets under development		19,090	-	19,090	-
Investment property	13	10,250,000	8,750,000	-	-
Investment accounted for using the equity method	14	4,168,860	3,915,476	-	-
Investment in the Guild Properties (Vic) Unit Trust		-	-	8,852,714	8,169,688
Present entitlement receivable from the Guild (Vic) Computer Unit Trust		-	-	4,106,146	4,879,025
Present entitlement receivable from the Guild Properties (Vic) Unit Trust		-	-	220,458	-
TOTAL NON-CURRENT ASSETS		14,718,349	13,049,208	13,653,810	13,607,447
TOTAL ASSETS		**23,408,867**	**22,914,959**	**16,248,049**	**16,148,887**
CURRENT LIABILITIES					
Trade and other payables	15	3,041,206	2,838,011	2,944,109	2,530,115
Employee benefit liabilities	16	436,377	352,676	436,377	352,676
TOTAL CURRENT LIABILITIES		**3,477,582**	**3,190,687**	**3,380,486**	**2,882,791**
NON-CURRENT LIABILITIES					
Security Deposit held in trust	15	33,528	-	-	-
Employee benefit liabilities	16	41,399	36,351	41,399	36,351
TOTAL NON-CURRENT LIABILITIES		**74,927**	**36,351**	**41,399**	**36,351**
TOTAL LIABILITIES		**3,552,509**	**3,227,038**	**3,421,884**	**2,919,142**
NET ASSETS		**19,856,358**	**19,687,921**	**12,826,164**	**13,229,745**
EQUITY					
Accumulated funds		13,898,312	13,210,319	9,042,084	9,445,665
Reserves		5,958,046	5,899,654	3,784,080	3,784,080
Parent interests		19,856,358	19,109,973	12,826,164	13,229,745
Non-controlling interest		-	577,948	-	-
TOTAL EQUITY		**19,856,358**	**19,687,921**	**12,826,164**	**13,229,745**

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

Statement of changes in equity
For the year ended 30 June 2016

	Reserves (Notes 21) $	*Accumulated funds $*	*Sub-total $*	*Non-controlling interest $*	*Total $*
CONSOLIDATED					
At 1 July 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**
Profit for the year	-	687,993	687,993	-	687,993
Other comprehensive income	58,392	-	58,392	-	58,392
Acquisition of non-controlling interest	-	-	-	(577,948)	(577,948)
At 30 June 2016	**5,958,046**	**13,898,312**	**19,856,358**	**-**	**19,856,358**

PARENT	*Revaluation reserves $*	*Accumulated funds $*	*Total $*
At 1 July 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**
(Loss) for the year	-	(403,581)	(403,581)
Other comprehensive income	-	-	-
At 30 June 2016	**3,784,080**	**9,042,084**	**12,826,164**

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 years.

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 2016

	Note	Consolidated 2016 $	Consolidated 2015 $	Parent 2016 $	Parent 2015 $
OPERATING ACTIVITIES					
Receipts in the course of operations:					
- reporting units and/or controlled entity	18(d)	2,975,708	1,271,803	2,975,708	1,271,803
- members and customers		1,210,031	5,567,330	1,580,883	4,593,629
Payments in the course of operations:					
- reporting units and/or controlled entity	18(d)	(1,416,669)	(1,275,951)	(1,416,669)	(1,275,951)
- suppliers and employees		(2,960,573)	(4,547,206)	(3,418,600)	(4,873,998)
Interest received		78,525	226,231	14,448	23,057
Income tax paid		-	(1,328,569)	-	-
Net GST paid to Australian Taxation Office		(148,478)	(200,542)	(175,235)	(129,196)
Net cash flows (used in) /from operating activities	17	(261,455)	(286,904)	(439,465)	(390,656)
INVESTING ACTIVITIES					
Dividend received from FRED IT Group Pty Ltd		245,000	350,000	-	-
Distribution from related parties		-	-	1,283,000	
Purchase of plant and equipment		(61,673)	(30,341)	(61,673)	(30,341)
Proceeds on sale of plant and equipment		23,945	-	23,945	-
Additions to investment property		(296,716)	-	-	-
Investment in controlled entity		(683,027)	-	(683,027)	-
Purchase of investments		-	-	-	(2)
Purchase of available-for-sale investments		(107,957)	(4,322,841)	-	-
Dividends received from investment in equities		183,539	106,309	-	-
Gain/(loss) on divestment of other investments		32,653	(769)	-	-
Net cash flows (used in) /from investing activities		(664,235)	(3,897,642)	562,245	(30,343)
FINANCING ACTIVITIES					
Net cash flows from financing activities		-	-	-	-
Net (decrease)/increase in cash and cash equivalents		(925,690)	(4,184,546)	122,781	(420,999)
Cash and cash equivalents at beginning of the year		3,590,174	7,774,720	1,140,324	1,561,323
Cash and cash equivalents at end of the period/ year	8	2,664,484	3,590,174	1,263,105	1,140,324

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

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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' organization (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 authorized for issue on 30 August 2016 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 2015/16 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 2016 are outlined below. The Group have not early adopted any of these new or amended standards or interpretations as the Group have not yet fully assessed the impact of these new or amended standards or interpretations (to the extent relevant to the organisation).

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
AASB 16: Leases

Notes to the financial statements (continued)

For the year ended 30 June 2016

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 comprises 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 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 2016

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 and charges

Training income 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 is 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 income is recorded using the effective interest rate (EIR).

(v) Dividend income

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

(vi) Government grants

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

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

(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 2016

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.

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.

Notes to the financial statements (continued)

For the year ended 30 June 2016

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Property, plant and equipment (continued)

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

Class of plant and equipment	Useful life
Plant and equipment	3 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.

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.

Notes to the financial statements (continued)
For the year ended 30 June 2016

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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 remains unpaid.

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

(q) Unearned and deferred revenue

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

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

Notes to the financial statements (continued)

For the year ended 30 June 2016

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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.

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

Notes to the financial statements (continued)

For the year ended 30 June 2016

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Financial instruments (continued)

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
Field-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.

in) 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 2016

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 2016

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 2016

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, 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 assets exposed to Australian variable interest rate risk:

	CONSOLIDATED		*PARENT*	
	2016	*2015*	*2016*	*2015*
	$	*$*	*$*	*$*
Financial assets				
Cash and cash equivalents	2,664,484	3,590,174	1,263,105	1,140,324
	2,664,484	3,590,174	1,263,105	1,140,324

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)		*Higher/ (Lower)*	
	CONSOLIDATED		*PARENT*	
	2016	*2015*	*2016*	*2015*
	$	*$*	*$*	*$*
Post tax profit				
+ 1%	26,640	35,897	12,626	17,723
- 1%	(26,640)	(35,897)	(12,626)	(17,723)

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 2016

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 2016

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*	*>5 years*	*Total*
	$	*$*	*$*	*$*	*$*
Year ended 30 June 2016					
Liquid financial assets					-
Cash and cash equivalents	2,664,484	-	-	-	2,664,484
Trade and other receivables	1,055,430	-	-	-	1,055,430
Other assets	357,449	-	-	-	357,449
	4,077,362	-	-	-	4,077,362
Financial liabilities					
Trade and other payables	536,224	-	-	-	536,224
	536,224	-	-	-	536,224
Net inflow	**4,613,586**	**-**	**-**	**-**	**4,613,586**

CONSOLIDATED	*< 6 months*	*6 - 12 months*	*1-5 years*	*>5 years*	*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**

PARENT	*< 6 months*	*6 - 12 months*	*1-5 years*	*>5 years*	*Total*
	$	*$*	*$*	*$*	*$*
Year ended 30 June 2016					
Liquid financial assets					-
Cash and cash equivalents	1,263,105				1,263,105
Trade and other receivables	1,221,112				1,221,112
Other assets	50,791				50,791
	2,535,008	-	-	-	2,535,008
Financial liabilities					
Trade and other payables	449,618	-	-	-	449,618
	449,618	-	-	-	449,618
Net inflow	**2,984,627**	**-**	**-**	**-**	**2,984,627**

Notes to the financial statements (continued)
For the year ended 30 June 2016

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(d) Liquidity risk (continued)

PARENT	*< 6 months*	*6 - 12 months*	*1-5 years*	*>5 years*	*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**

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 2016:

			Fair value measurement using		
	Date of valuation	*Total*	*Quoted prices in active markets (Level1)*	*Significant observable inputs (Level 2)*	*Significant unobservable inputs (Level 3)*
		$	*$*	*$*	*$*
Assets measured at fair value:					
CONSOLIDATED					
Investment properties (Note 13)	30 June 2016	10,250,000	-	10,250,000	-
Assets available for sale (Note 11)		4,495,718	4,495,718		
PARENT					
Investment in The Guild Properties (Victoria) Unit Trust	30 June 2016	8,852,714	-	8,852,714	-

Notes to the financial statements (continued)

For the year ended 30 June 2016

4 CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The Branch Executive evaluates 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 M3 Property, an independent valuation specialist, to assess fair value as at 30 June 2016 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 has determined that the full amount of trade debtors is recoverable and therefore no provision for impairment has been made. The Branch Executive has also determined that the revaluation of the investment property is reasonable. An $88,217 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 2016

5 REVENUE AND OTHER INCOME

		Consolidated		Parent	
		2016	2015	2016	2015
		$	$	$	$
(a)	**Income**				
	Revenue				
	Membership contribution received by the Branch	1,660,612	2,202,130	1,660,612	2,202,130
	Commission	364,518	414,786	343,546	414,786
	Interest	78,525	226,231	14,448	23,057
	Sundry Income	187,648	405,742	187,647	405,742
	Rental income Guild Properties	219,488	599,042	-	-
	Distribution income from the Guild Properties (Victoria) Unit Trust	-	-	134,246	527,522
	Training income	468,998	370,024	468,998	370,024
	Quality care pharmacy program project income	559,253	630,326	559,253	630,326
	Customer Experience Index Program	188,442	-	188,442	-
	East Melb. Medicare Local	32,500	15,000	32,500	15,000
		3,759,984	4,863,281	3,589,692	4,588,587
(b)	Share of Profit from joint venture entity	498,384	817,707		-
(c)	(Loss)/gain on divestment of investment	32,653	(769)	-	-
(d)	Gain on revaluation of investment property	1,098,205	-	-	-
(e)	**Other Income**				
	Other rental income	97,992	98,484	97,992	98,484
	Gain from sale of assets	13,225	-	13,225	-
	Distribution income from The Guild (Victoria) Computer Unit Trust	-	-	510,121	871,485
	Management Fees		-	190,300	177,600
	Dividends Income	183,539	106,309	-	-
		294,756	204,793	811,638	1,147,569
	Total Income	**5,683,983**	**5,885,012**	**4,401,331**	**5,736,156**

Notes to the financial statements (continued)

For the year ended 30 June 2016

	Consolidated 2016 $	Consolidated 2015 $	Parent 2016 $	Parent 2015 $
6 INCOME TAX				
(a) Income tax expense				
Major components of income tax expense are:				
Statement of profit or loss after comprehensive income				
Current income tax				
Current income tax charge	-	(6,659)	-	-
capital gains tax on partial disposal of investment in FRED IT Group	-	29,280		
Income tax expense reported in statement of profit or loss after other comprehensive income	-	22,621	-	-
(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	-	-	-	-
At the controlled entity's statutory income tax rate of 30% (2015:30%)	-	-	-	-
Capital gain tax	-	29,280	-	-
Aggregate income tax expense	-	29,280	-	-

	Consolidated 2016 $	Consolidated 2015 $	Parent 2016 $	Parent 2015 $
7 PROFIT FOR THE YEAR				
Profit for the year has been determined after charging:				
Expenses				
Capitation fee expense - membership contributions to National Council	734,878	1,279,912	734,878	1,279,912
Committee fees and allowances for attendance at meeting and conference	7,320	11,080	7,320	11,080

Notes to the financial statements (continued)

For the year ended 30 June 2016

		Consolidated		*Parent*	
		2016	*2015*	*2016*	*2015*
		$	*$*	*$*	*$*
7	**PROFIT FOR THE YEAR (continued)**				
	Employee benefit relating to "Holders of Office"				
	- wages	399,410	391,103	399,410	391,103
	- superannuation	39,427	41,694	39,427	41,694
	- leave and other entitlements	10,530	24,118	10,530	24,118
	- Branch Committee allowance		3,000	-	3,000
		449,367	459,915	449,367	459,915
	Employee benefit relating to "Other than Holders of Office"				
	- wages	1,637,781	1,670,169	1,637,781	1,670,169
	- superannuation	262,760	259,613	262,760	259,613
	- leave and other entitlements	245,276	217,560	245,276	217,560
	- Termination payment	8,978	-	8,978	-
	- Other employee expense	195,506	-	195,506	-
	Total employee benefits	2,350,300	2,147,342	2,350,300	2,147,342
	Total employee benefit	2,799,668	2,607,257	2,799,668	2,607,257
	Grants and donations				
	- donations	67,771	62,863	67,771	62,863
		67,771	62,863	67,771	62,863

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 expense				
- litigations	-	-	-	-
- other legal matters	104,489	19,859	74,026	19,859
	104,489	19,859	74,026	19,859
Penalties - Fair Works (Registered Organisations) act 2009	-	-	-	-

Consolidated expenses listed in this note relate solely to the Branch and its controlled entities and

Notes to the financial statements (continued)
For the year ended 30 June 2016

		Consolidated		Parent	
		2016	2015	2016	2015
		$	$	$	$
8	**CASH AND CASH EQUIVALENTS**				
	Cash at bank	2,518,077	3,590,174	1,263,105	1,140,324
	Term deposits	146,407	-	-	-
		2,664,484	3,590,174	1,263,105	1,140,324

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits mature every 30 days or 180 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.

		Consolidated 2016 $	Consolidated 2015 $	Parent 2016 $	Parent 2015 $
9	**TRADE AND OTHER RECEIVABLES**				
	Trade receivables	988,515	1,084,243	985,422	1,084,243
	Other receivables	52,297	53,844	41,826	32,070
		1,040,812	1,138,087	1,027,248	1,116,313
	Related party receivables	14,617	60,227	193,884	22,869
	Trade and Other Receivables	**1,055,430**	**1,198,314**	**1,221,132**	**1,139,182**

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:

	Consolidated 2016 $	Consolidated 2015 $	Parent 2016 $	Parent 2015 $
Neither past due nor impaired	52,297	41,594	41,826	19,820
Past due but not impaired:				
< 30 days	66,579	1,048,702	63,486	1,048,702
30 - 60 days	893,413	20,788	893,413	20,788
61 - 90 days	10,459	7,782	10,459	7,782
> 90 days	18,064	19,221	18,064	19,221
	988,515	1,096,493	985,422	1,096,493
Total trade and other receivables	1,040,812	1,138,087	1,027,248	1,116,313

(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 2016

		Consolidated		Parent	
		2016	2015	2016	2015
		$	$	$	$
10	**OTHER ASSETS**				
	Prepayments	61,002	105,800	59,210	105,800
	Accrued income	357,449	642,074	50,791	156,134
	Deferred Rent Assets	56,415	-	-	-
		474,866	747,874	110,001	261,934

Included in accrued income is an amount held in escrow relating to the 2014 FRED IT transaction, amounting to $275,847 (2015: $422,250).

11	**ASSETS AVAILABLE FOR SALE**				
	Australia listed equities	1,793,593	1,623,560	-	-
	Global equities	922,530	730,169	-	-
	Interest bearing securities	1,779,615	1,975,660	-	-
		4,495,738	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
	$	$	$
Australia listed equities	1,793,593	-	-
Global equities	922,530	-	-
Interest bearing securities	1,779,615	-	-

12 PROPERTY, PLANT AND EQUIPMENT

Plant and equipment				
At cost	1,018,761	990,832	1,018,761	990,832
Accumulated depreciation	(784,702)	(679,423)	(784,702)	(679,423)
Net carrying amount	234,059	311,409	234,059	311,409
Motor vehicles				
At cost	92,725	154,146	92,725	154,146
Accumulated depreciation	(46,385)	(81,823)	(46,385)	(81,823)
Net carrying amount	46,340	72,323	46,340	72,323
Total property, plant and equipment				
At fair value	-	-	-	-
At cost	1,111,486	1,144,978	1,111,486	1,144,978
At cost	1,111,486	1,144,978	1,111,486	1,144,978
Accumulated depreciation	(831,086)	(761,246)	(831,086)	(761,246)
Net carrying amount	280,399	383,732	280,399	383,732

Notes to the financial statements (continued)

For the year ended 30 June 2016

	Consolidated		Parent	
	2016	*2015*	*2016*	*2015*
	$	*$*	*$*	*$*

PROPERTY, PLANT AND EQUIPMENT

Reconciliation of carrying amounts at the beginning and end of the year

	Consolidated 2016 $	Consolidated 2015 $	Parent 2016 $	Parent 2015 $
Plant and equipment				
Balance at the beginning of the year				
At cost	990,832	1,230,792	990,832	1,230,792
Accumulated depreciation	(679,422)	(835,632)	(679,422)	(835,632)
Net carrying amount	311,410	395,160	311,410	395,160
Additions	42,583	30,341	42,583	30,341
Disposals	(1,019)	-	(1,019)	-
Depreciation charge for the year	(118,915)	(114,092)	(118,915)	(114,092)
Balance at the end of the year - net carrying amount	234,059	311,409	234,059	311,409
Motor vehicles				
Balance at the beginning of the year				
At cost	154,146	228,299	154,146	228,299
Accumulated depreciation	(81,823)	(134,018)	(81,823)	(134,018)
Net carrying amount	72,323	94,281	72,323	94,281
Additions	-	-	-	-
Disposals	(10,720)	-	(10,720)	-
Depreciation charge for the year	(15,263)	(21,958)	(15,263)	(21,958)
Balance at the end of the year - net carrying amount	46,340	72,323	46,340	72,323
Total property, plant and equipment				
Balance at the beginning of the year				
At fair value	-	-	-	-
At cost	1,144,979	1,459,091	1,144,979	1,459,091
Accumulated depreciation	(761,245)	(969,650)	(761,245)	(969,650)
Net carrying amount	383,733	489,441	383,733	489,441
Additions	42,583	30,341	42,583	30,341
Disposals	(11,740)	-	(11,740)	-
Depreciation charge for the year	(134,177)	(136,050)	(134,177)	(136,050)
Balance at the end of the year - net carrying amount	280,399	383,732	280,399	383,732

Notes to the financial statements (continued)

For the year ended 30 June 2016

	Consolidated 2016 $	Consolidated 2015 $	Parent 2016 $	Parent 2015 $
13 INVESTMENT PROPERTY				
Opening balance at 1 July	8,750,000	8,750,000	-	-
Additions	-	-	-	-
Net gain from fair value adjustments	1,500,000	-	-	-
Closing balance at 30 June	10,250,000	8,750,000	-	-
Investments in freehold land and buildings	10,250,000	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) 2016	Range (weighted average) 2015
Investment properties	DCF method	Estimated office area rental per sqm per month	$340	$300
		Estimated car space rental per car park bay per month	$180	$200
		Discount rate	8.00%	7.75%

(b) The land and building was independently valued at $10,250,000 by M3 Property as at 30 June 2016. 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 $1,500.000 being recognised within the profit and loss for the year ended 30 June 2016 (2015: $Nil), 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 recognized as property, plant and equipment, and the land and buildings are now accounted for entirely as investment property.

Notes to the financial statements (continued)

For the year ended 30 June 2016

14 INVESTMENT ACCOUNTED FOR USING THE EQUITY METHOD

	Consolidated	
	2016	2015
	$	$
Investment in joint venture entity, FRED IT Group Pty Ltd	4,168,860	3,915,476

The equity interest in FRED IT Group Pty Ltd is 35% (2015: 35%) and has been equity accounted.

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

Balance at 1 July	3,915,476	3,447,769
Add: share of joint venture entity's profit after income tax	498,384	817,707
Less: dividend revenue from joint venture entity	(245,000)	(350,000)
Balance at 30 June	4,168,860	3,915,476

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 the Group's investment in joint

Extract from the joint venture's statement of financial position

	2016	*2015*
	$	*$*
Current assets	4,924,318	4,391,589
Non-current assets	17,459,009	15,822,637
	22,383,327	20,214,226
Current liabilities	8,790,132	7,743,938
Non-current liabilities	2,746,434	2,347,481
	11,536,566	10,091,419
Net assets	10,846,761	10,122,807
Share of joint venture's net assets 35% (2015:35%)	3,796,366	3,542,982

Extract from the joint venture's statement of profit or loss and other comprehensive income

Revenue	40,523,665	40,250,255
Net profit after tax	1,423,954	2,336,306

Notes to the financial statements (continued)
For the year ended 30 June 2016

15 Trade and Other Payables

	Consolidated		Parent	
	2016	2015	2016	2015
	$	$	$	$
Current				
Trade payables and accruals	568,702	751,093	466,890	412,611
Unearned revenue	845,806	966,030	845,806	966,030
Deferred revenue	1,606,879	933,162	1,606,879	933,162
Security deposit held in trust	-	53,995	-	53,995
	3,021,387	2,704,280	2,919,575	2,365,798
Related party payables	19,819	133,731	24,534	164,317
	3,041,206	2,838,011	2,944,109	2,530,115
Non-current				
Security deposit held in trust	33,528	-	-	-
	33,528	-	-	-

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).

16 EMPLOYEE BENEFIT LIABILITIES

Current				
Annual leave	167,162	138,829	167,162	138,829
Long service leave	269,214	213,847	269,214	213,847
	436,377	352,676	436,377	352,676
Non-Current				
Long service leave	41,399	36,351	41,399	36,351
	41,399	36,351	41,399	36,351
Total Employee Benefit liabilities	**477,775**	**389,027**	**477,775**	**389,027**

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

Notes to the financial statements (continued)

For the year ended 30 June 2016

16 EMPLOYEE BENEFIT LIABILITIES (continued)

	Consolidated		Parent	
	2016	2015	2016	2015
	$	$	$	$
Analysis of total employee benefit liabilities:				
Balance at 1 July	379,052	379,052	379,052	379,052
Increase in provisions during the year	259,861	-	259,861	-
Amounts used	(171,113)	-	(171,113)	-
Balance at 30 June	467,800	379,052	467,800	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	167,162	138,829	167,162	138,829
- Long service leave	310,613	250,198	310,613	250,198
- Separation and redundancies	-	-	-	-
- Other employee provisions	-	-	-	-
Total employee benefit liabilities	477,775	389,027	477,775	389,027

No provisions were made for employee benefits relating to Branch Committee (2015: Nil)
No provisions were made for separation and redundancies or other employee provisions (2015: Nil).

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

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

Notes to the financial statements (continued)

For the year ended 30 June 2016

16 EMPLOYEE BENEFIT LIABILITIES (Continued)

Provision for employee benefits (continued)

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

In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefit liabilities have been discussed in Note 2(r).

Amounts not expected to be settled within the next 12 months

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

Amounts not expected to be settled within the next 12 months

	Consolidated		*Parent*	
	2016	*2015*	*2016*	*2015*
	$	*$*	*$*	*$*
Current leave obligations expected to be settled after 12 months	39,607	189,853	39,607	189,853

Notes to the financial statements (continued)

For the year ended 30 June 2016

17 STATEMENT OF CASH FLOWS RECONCILIATION

	Consolidated		*Parent*	
	2016	*2015*	*2016*	*2015*
	$	*$*	*$*	*$*
Reconciliation of net profit for the year to net cash flows from operations				
Profit/(loss) for the year	687,995	356,432	(403,581)	378,222
Adjustment for:				
Depreciation	134,177	136,050	134,177	136,050
Gain on revaluation of investment property	(1,098,205)	-		-
Gain on sale of fixed assets	(13,225)	-	(13,225)	-
Assets written off	1,019	-	1,019	-
Distribution income from The Guild (Victoria) Computer Unit Trust	-	-	(510,121)	(871,485)
Distribution income from The Guild Properties (Victoria) Unit Trust	-	-	(220,460)	-
Dividend income classified as investing cash flow	(183,539)	(106,309)	-	-
(Gain)/loss on divestment of other investments	(32,653)	769	-	-
Share of profit from joint venture entity	(498,384)	(817,707)	-	-
Changes in assets and liabilities				
Decrease/(increase) in trade and other receivables	142,884	(28,781)	(81,950)	1,023,818
Decrease/(increase) in other assets	273,008	1,794,187	151,933	(27,969)
(Decrease)/Increase in trade and other payables	203,195	(271,577)	413,994	(985,272)
(Decrease)/increase in income tax payable	-	(1,305,948)	-	-
(Decrease)/increase in employee benefit liabilities	88,748	9,975	88,748	9,975
(decrease)/Increase in other liabilities	33,528	(53,995)	-	(53,995)
Net cash flows (used in)/from operating activates	(261,452)	(286,904)	(439,465)	(390,656)
Cash Flow information				
Cash inflows	4,749,402	7,521,673	4,594,985	5,888,489
Cash outflows	(5,675,094)	(11,705,450)	(5,755,204)	(6,309,488)

	2016	*2015*
	$	*$*
Cash flow information related to controlled entities		
Cash inflows		
The Guild (Victoria) Computer Unit Trust	1,439,000	753,838
The Guild Properties (Victoria) Unit Trust	203,191	879,346
Care Energy Australia Pty Ltd	12,700	-
Cash Outflows		
The Guild (Victoria) Computer Unit Trust	-	(4,761,034)
The Guild Properties (Victoria) Unit Trust	(482,303)	(634,928)
Care Energy Australia Pty Ltd	-	-

Notes to the financial statements (continued)

For the year ended 30 June 2016

18 RELATED PARTY DISCLOSURE

(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
Mr. A Pricolo	Vice President
Mr. Hassan (Sam) El-Ahmad	Vice President
Mr. G. Tambassis	National President
Mr. B. Robertson	Vice President – Treasurer
Mr. K. Chong	Vice President – Finance
Mr. S. Hall	Branch Committee
Ms. G. Chong	Branch Committee
Mr. V. Naidu	Branch Committee
Mr. N. Mitri	Branch Committee
Mr. P. Krassaris	Branch Committee
Mr. W J Scott	Branch Committee

FRED IT Group Pty Ltd

Mr. W J Scott	Director FRED IT Group Pty Ltd
Mr. P. Krassaris	Director FRED IT Group Pty Ltd

All related party transactions are at arm's length.

	Consolidated		Parent	
	2016	*2015*	*2016*	*2015*
	$	*$*	*$*	*$*
(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)	19,819	133,731	19,819	133,733
The Guild Properties (Victoria) Unit Trust	-	-	4,715	30,584
	19,819	133,731	24,534	164,317
(ii) Amounts receivable from related parties:				
Amounts included in trade and other receivables - Note 9				
The Pharmacy Guild of Australia (National Secretariat)	3,027	1,077	3,027	1,077
The Guild Properties (Victoria) Unit Trust	-	59,150	157,416	-
Care Energy Australia Pty Ltd	-	-	21,850	21,792
Pharmadotcom Pty Ltd	11,590	-	11,590	-
	14,617	60,227	193,884	22,869

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 2016

18 RELATED PARTIES 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	
	2016	*2015*	*2016*	*2015*
	$	*$*	*$*	*$*
The Pharmacy Guild of Australia (National Secretariat)	734,878	1,279,912	734,878	1,279,912

Terms: 44.29% (2015: 58.16%) of gross membership fees received.

Share of dividends paid by Pharmacy Computers Australia Pty Ltd

The Pharmacy Guild of Australia (National Secretariat)	-	8,750	-	8,750
The Pharmacy Guild of Australia (NSW)	-	31,500	-	31,500
The Pharmacy Guild of Australia (QLD)	-	11,375	-	11,375
The Pharmacy Guild of Australia (ACT)	-	7,000	-	7,000
The Pharmacy Guild of Australia (SA)	-	7,000	-	7,000
The Pharmacy Guild of Australia (Tasmania	-	7,000	-	7,000
The Pharmacy Guild of Australia (WA)	-	7,875	-	7,875
The Pharmacy Guild of Australia (NT)	-	7,000	-	7,000
	-	87,500	-	87,500

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

Other related parties				
Pharmacy Computers Australia Pty Ltd				
Dividend received	245,000	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: Base on membership % applied to gross Division income	94,981	96,881	94,981	96,881
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	234,772	299,440	234,772	299,440
Building costs & maintenance paid by Victorian Branch to Guild Properties (Victoria) Unit Trust Terms: Normal commercial terms	58,965	99,973	58,965	99,973

Notes to the financial statements (continued)
For the year ended 30 June 2016

18 RELATED PARTIES DISCLOSURES (continued)

(d) Cash flow movements with related parties

	Consolidated		Parent	
	2016	*2015*	*2016*	*2015*
	$	*$*	*$*	*$*
(i) Receipts from related parties				
The Pharmacy Guild of Australia (National	855,683	822,534	855,683	822,534
The Pharmacy Guild of Australia (ACT)	-	-	-	-
The Pharmacy Guild of Australia (NSW)	12,162	779	12,162	779
The Pharmacy Guild of Australia (NT)	-	-	-	-
The Pharmacy Guild of Australia (QLD)	1,631	1,870	1,631	1,870
The Pharmacy Guild of Australia (SA)	-	174	-	174
The Pharmacy Guild of Australia (TAS)	-	-	-	-
The Pharmacy Guild of Australia (WA)	18,132	-	18,132	-
Guild Pharmacy Academy	89,332	59,752	89,332	59,752
Gold Cross Products and Services Pty Ltd	98,718	96,144	98,718	96,144
Guild Insurance & Financial Services Ltd	245,160	290,550	245,160	290,550
Pharmacy Computers Australia Pty Ltd	1,439,000	-	1,439,000	-
The Guild Properties (Victoria) Unit Trust	203,191	-	203,191	-
Care Energy Australia Pty Ltd	12,700	-	12,700	-
	2,975,708	1,271,803	2,975,708	1,271,803
(ii) Payments to related parties				
The Pharmacy Guild of Australia (National	812,985	1,241,878	812,985	1,241,878
The Pharmacy Guild of Australia (ACT)	7,000	-	7,000	-
The Pharmacy Guild of Australia (NSW)	31,500	-	31,500	-
The Pharmacy Guild of Australia (NT)	7,000	60	7,000	60
The Pharmacy Guild of Australia (QLD)	11,375	-	11,375	-
The Pharmacy Guild of Australia (SA)	7,000	-	7,000	-
The Pharmacy Guild of Australia (TAS)	7,000	-	7,000	-
The Pharmacy Guild of Australia (WA)	7,875	-	7,875	-
Guild Group	42,631	34,013	42,631	34,013
The Guild Properties (Victoria) Unit Trust	482,303	-	482,303	-
	1,416,669	1,275,951	1,416,669	1,275,951

Notes to the financial statements (continued)

For the year ended 30 June 2016

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		*Parent*	
	2016	*2015*	*2016*	*2015*
	$	*$*	*$*	*$*
Wages and salaries	399,410	391,103	399,410	391,103
Superannuation	39,427	41,694	39,427	41,694
Leave & other entitlements	10,530	24,118	10,530	24,118
Branch Committee allowances	3,000	3,000	3,000	3,000
	452,367	459,915	452,367	459,915

20 EVENTS AFTER THE REPORTING PERIOD

There were no events that occurred after 30 June 2016, or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the group.

21 RESERVES

	Income reserve - capital gain	**Available for sale reserve**	**Total**
At 1 July 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
Net fair value gain in assets available for sale	-	58,392	58,392
At 30 June 2016	5,893,106	64,940	5,958,046

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.

Notes to the financial statements (continued)

For the year ended 30 June 2016

22 CONTROLLED ENTITIES CONSOLIDATED

Subsidiaries or associated entities of The Pharmacy Guild of Australia, Victoria	Country of incorporation	Percentage Owned (%) *2016*	*2015*
Pharmacy Computers Australia Pty Ltd	Australia	100	100
The Guild (Victoria) Computer Unit Trust	Australia	100	100
Care Energy Australia Pty Ltd	Australia	100	100
The Guild Properties (Victoria) Unit Trust	Australia	100	93

Joint venture entity of The Pharmacy Guild of Australia, Victoria	Country of incorporation	Percentage Owned (%) *2016*	*2015*
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.

23 CAPITAL AND LEASING COMMITMENTS

(a) Operating lease commitments

Commitments for minimum operating lease payment in relation to operating leases are payable as follows:

Operating Lease commitments

	Consolidated		*Parent*	
	2016	*2015*	*2016*	*2015*
	$	*$*	*$*	*$*
Within one year	19,936	4,956	19,936	4,956
After one year but not more than five years	24,951	8,674	24,951	8,674
Total minimum lease payments	44,887	13,630	44,887	13,630

(b) Capital commitments

There were no capital commitments as at 30 June 2016 (30 June 2015: Nil).

24 AUDITOR'S REMUNERATION

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

	2016	*2015*
	$	*$*
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	42,440	41,200
• Other services in relation to the entity and any other entity in the consolidated group		
– accounting assistance	-	5,000
– other services	3,500	10,500
	45,940	56,200

Notes to the financial statements (continued)

For the year ended 30 June 2016

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 2016.

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 2016 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 changes in financial Changes**
There have been no significant changes in the financial affairs of 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 3 of the financial statements.

(d) **Officers & employees who are superannuation fund trustee(s) or director of a company that is 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 2016 the number of members of The Pharmacy Guild of Australia, Victoria was 862 including Honorary Life & 50 Year Life Members.

(f) Number of employees:
As at 30 June 2016 the number of employees of The Pharmacy Guild of Australia, Victoria was 31.

(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
Mr. Hassan (Sam) El-Ahmad	-	Vice President
Mr. G Tambassis	-	National President
Mr. B Robertson	-	Vice President – Treasurer
Mr. Kin Chong	-	Vice President – Finance
Mr. S Hall	-	Branch Committee

Operating report (continued)

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

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

(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

30 August 2016

Committee of management statement

On 30 August 2016, the Committee of Management of the Pharmacy Guild of Australia, Victoria passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 30 June 2016.

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 2016

(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; and

  (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

  (iv) the financial records of its controlled entities have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the Pharmacy Guild of Australia, Victoria; and

  (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; 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 2016.

This declaration is made in accordance with a resolution of the Committee of Management.

ANTHONY TASSONE
Branch President

30 August 2016

Building a better working world

Independence Audit Report

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 2016, 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 a 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 Members, as well as evaluating the overall presentation of the financial report.

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

Independence

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

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 2016 and their financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards and the *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

Fiona M Campbell
Melbourne
30 August 2016

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