26 October 2017

Mr Allan Crostwaite
Branch Director
The Pharmacy Guild of Australia, Victorian Branch

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

Dear Mr Crostwaite

The Pharmacy Guild of Australia, Victorian Branch
Financial Report for the year ended 30 June 2017 - FR2017/230

I acknowledge receipt of the financial report for the year ended 30 June 2017 for the Pharmacy Guild of Australia, Victorian Branch. The financial report was lodged with the Registered Organisations Commission on 5 October 2017.

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

Whilst the 2017 report has been filed the following should be addressed in the preparation of the next financial report.

1. General Purpose Financial Report (GPFR)

Activity under Reporting Guidelines (RG) not disclosed

Item 17 of the RG states that if the activity identified in item 16 has not occurred in the reporting period, a statement to this effect must be included in the notes to the GPFR. I note that no such disclosure has been made for item:

> 16(i) - expenses incurred with holding meeting of members or any conferences or meeting of councils, committees, panels or other bodies.

Notice setting out sections 272(1), (2) & (3)

Following the enactment of the *Fair Work (Registered Organisations) Amendment Act 2016*, the Registered Organisations Commission (ROC) is the new regulator for registered organisations, with effect from 1 May 2017. From this date references to the General Manager (Fair Work Commission) should be changed to Commissioner.

Note 26 to the PGA-VIC GPFR refers to General Manager.

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 9603 0707 or by email at ken.morgan@roc.gov.au

Yours faithfully

KEN MORGAN
Financial Reporting Advisor
Registered Organisations Commission

The Pharmacy Guild of Australia

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER
For the Financial Year Ended 30 June 2017

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 2017 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 2017 were made available to members free of charge on 4th September 2017; and

3. The full report was presented at the Annual General Meeting of the Pharmacy Guild of Australia, Victoria Branch on 3rd October 2017 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009.*

President
The Pharmacy Guild of Australia, Victoria

3rd October 2017

Victoria
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Email: info@vic.guild.org.au • Website: www.guild.org.au

THE PHARMACY GUILD OF AUSTRALIA, VICTORIA

ABN 35 603 508 734

GENERAL PURPOSE FINANCIAL REPORT
For the year ended 30 June 2017

Contents

Statement of comprehensive income

For the year ended 30 June 2017

	Note	Consolidated 2017 $	Consolidated 2016 $	Parent 2017 $	Parent 2016 $
INCOME					
Revenue	5(a)	4,586,643	3,759,984	4,476,523	3,589,692
Share of profit from associate	5(b)	122,546	498,384	-	-
Gain on divestment of investment	5(c)	90,046	32,653	-	-
Gain on revaluation of investment property	5(d)	1,450,000	1,098,205	-	-
Other Income	5(e)	282,288	294,756	578,805	811,638
		6,531,523	**5,683,982**	**5,055,328**	**4,401,330**
EXPENSES					
Administration		(379,792)	(428,327)	(620,722)	(659,040)
Management fees		(7,800)	(7,959)	-	(160)
Building outgoings		(268,753)	(220,003)	(88,881)	(83,599)
Committee fees and allowances	7(b)	(5,630)	(7,320)	(5,630)	(7,320)
Depreciation		(130,712)	(134,177)	(130,712)	(134,177)
Employee benefit expenses	7(c)	(2,588,766)	(2,799,668)	(2,588,766)	(2,799,668)
Legal and professional fees		(148,168)	(350,517)	(96,648)	(165,960)
Membership contributions to National Council	7(a)	(1,280,884)	(734,878)	(1,280,884)	(734,878)
Impairment expenses		(24,580)	(88,217)	-	-
Public relations		(101,096)	(108,363)	(97,903)	(103,548)
Travelling expenses		(100,741)	(106,050)	(100,741)	(106,050)
Minimum lease payments - operating lease		(20,254)	(9,491)	(20,254)	(9,491)
Assets written off		-	(1,019)	-	(1,019)
		(5,057,176)	**(4,995,989)**	**(5,031,141)**	**(4,804,910)**
PROFIT/(LOSS) BEFORE INCOME TAX	7	**1,474,347**	**687,993**	**24,187**	**(403,580)**
Income tax expense	6	-			
PROFIT/(LOSS) FOR THE YEAR	7	**1,474,347**	**687,993**	**24,187**	**(403,580)**
OTHER COMPREHENSIVE INCOME					
Other comprehensive income to be reclassified to profit or loss in subsequent periods:					
Net fair value gain of available-for-sale financial assets		119,293	58,392	-	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR		**119,293**	**58,392**	**-**	**-**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**1,593,640**	**746,385**	**24,187**	**(403,580)**

Statement of comprehensive income (continued)

For the year ended 30 June 2017

	Consolidated		Parent	
	2017	*2016*	*2017*	*2016*
	$	*$*	*$*	*$*
Profit/(loss) attributable to:				
Members of the parent entity	1,474,347	685,702	24,187	(403,580)
Non-controlling interest	-	2,291	-	-
	1,474,347	**687,993**	**24,187**	**(403,580)**
Other comprehensive income attributable to:				
Members of the parent entity	119,293	58,392	-	-
Non-controlling interest	-	-	-	-
	119,293	**58,392**	**-**	**-**
Total comprehensive income attributable to:				
Members of the parent entity	1,593,640	744,094	24,187	(403,580)
Non-controlling interest	-	2,291	-	-
	1,593,640	**746,385**	**24,187**	**(403,580)**

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

Statement of financial position

As at 30 June 2017

	Note	*Consolidated* 2017 $	2016 $	*Parent* 2017 $	2016 $
CURRENT ASSETS					
Cash and cash equivalents	8	2,722,890	2,664,484	885,135	1,263,105
Trade and other receivables	9	1,372,414	1,055,430	1,371,883	1,221,132
Other assets	10	577,410	474,866	130,986	110,001
		4,672,714	4,194,780	2,388,004	2,594,238
Assets available for sale	11	3,800,054	4,495,738	-	-
TOTAL CURRENT ASSETS		**8,472,768**	**8,690,518**	**2,388,004**	**2,594,238**
NON-CURRENT ASSETS					
Investment in subsidiary		-	-	175,002	175,002
Property, plant and equipment	12	154,554	280,399	154,554	280,399
Assets under development		47,090	19,090	47,090	19,090
Investment property	13	11,700,000	10,250,000	-	-
Investment accounted for using the equity method	14	4,291,406	4,168,860	-	-
Investment in The Guild Properties (Vic) Unit Trust		-	-	8,852,714	8,852,714
Present entitlement receivable from					
The Guild (Vic) Computer Unit Trust	18	-	-	4,409,058	4,106,147
The Guild Properties (Vic) Unit Trust	18	-	-	538,215	220,458
TOTAL NON-CURRENT ASSETS		**16,193,050**	**14,718,349**	**14,176,633**	**13,653,810**
TOTAL ASSETS		**24,665,818**	**23,408,867**	**16,564,637**	**16,248,048**
CURRENT LIABILITIES					
Trade and other payables	15	2,766,164	3,041,206	2,713,897	2,944,107
Employee benefit provisions	16	349,940	436,377	349,940	436,377
TOTAL CURRENT LIABILITIES		**3,116,104**	**3,477,583**	**3,063,837**	**3,380,484**
NON-CURRENT LIABILITIES					
Security Deposit held in trust	15	49,269	33,528	-	-
Other payables	15	-	-	600,000	-
Employee benefit provisions	16	50,448	41,399	50,448	41,399
TOTAL NON-CURRENT LIABILITIES		**99,717**	**74,927**	**650,448**	**41,399**
TOTAL LIABILITIES		**3,215,821**	**3,552,510**	**3,714,285**	**3,421,883**
NET ASSETS		**21,449,997**	**19,856,357**	**12,850,352**	**12,826,165**
EQUITY					
Accumulated funds		15,372,658	13,898,311	9,066,272	9,042,085
Reserves		6,077,339	5,958,046	3,784,080	3,784,080
TOTAL EQUITY		**21,449,997**	**19,856,357**	**12,850,352**	**12,826,165**

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 2017

	Reserves (Notes 21) $	*Accumulated funds* $	*Sub-total* $	*Non-controlling interest* $	*Total* $
CONSOLIDATED					
At 1 July 2015	5,899,654	13,210,318	19,109,972	577,948	19,687,920
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**	**13,898,311**	**19,856,357**	**-**	**19,856,357**
Profit for the year	-	1,474,347	1,474,347	-	1,474,347
Other comprehensive income	119,293	-	119,293	-	119,293
At 30 June 2017	**6,077,339**	**15,372,658**	**21,449,997**	**-**	**21,449,997**

PARENT	*Revaluation reserves* $	*Accumulated funds* $	*Total* $
At 1 July 2015	3,784,080	9,445,665	13,229,745
Loss for the year	-	(403,580)	(403,580)
Other comprehensive income	-	-	-
At 30 June 2016	**3,784,080**	**9,042,085**	**12,826,165**
Profit for the year	-	24,187	24,187
Other comprehensive income	-	-	-
At 30 June 2017	**3,784,080**	**9,066,272**	**12,850,352**

The Pharmacy Guild of Australia, Victoria does not operate a fund for compulsory levies or voluntary contributions. Consequently, The Pharmacy Guild of Australia, Victoria has not invested any such 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 2017

	Consolidated		Parent	
	2017	*2016*	*2017*	*2016*
	$	*$*	*$*	*$*
OPERATING ACTIVITIES				
Receipts in the course of operations:				
- reporting units and/or controlled entity	2,429,215	2,975,708	2,429,215	2,975,708
- members and customers	2,060,475	1,210,031	2,026,442	1,580,883
Payments in the course of operations:				
- reporting units and/or controlled entity	(1,627,289)	(1,416,669)	(1,627,289)	(1,416,669)
- suppliers	(1,009,950)	(161,437)	(918,699)	(707,681)
- employees	(2,680,218)	(2,710,919)	(2,680,218)	(2,710,919)
Interest received	53,937	78,525	13,091	14,448
Income tax paid	-	-	-	-
Net GST paid to Australian Taxation Office	(199,789)	(148,478)	(177,511)	(175,235)
Net cash flows (used in) /from operating activities	(973,619)	(173,239)	(934,969)	(439,465)
INVESTING ACTIVITIES				
Dividend received from FRED IT Group Pty Ltd	-	245,000	-	-
Distribution from related parties	-	-	-	1,283,000
Purchase of plant and equipment	(10,324)	(42,583)	(10,324)	(42,583)
Purchase of assets under development	(28,000)	(19,090)	(28,000)	(19,090)
Proceeds on sale of plant and equipment	5,909	23,945	5,909	23,945
Proceeds on sale of assets held for sale	930,724	654,091	-	-
Additions to investment property	-	(296,716)	-	-
Investment in controlled entity	-	(683,027)	-	(683,027)
Purchase of available-for-sale investments	(50,280)	(817,610)	-	-
Dividends received from investment in equities	183,996	183,539	-	-
Net cash flows (used in) /from investing activities	1,032,025	(752,451)	(32,415)	562,245
FINANCING ACTIVITIES				
Proceeds from borrowing	-	-	600,000	-
Interest paid	-	-	(10,586)	-
Net cash flows from financing activities	-	-	589,414	-
Net (decrease)/increase in cash and cash equivalents	58,406	(925,690)	(377,970)	122,780
Cash and cash equivalents at beginning of the year	2,664,484	3,590,174	1,263,105	1,140,325
Cash and cash equivalents at end of the year	2,722,890	2,664,484	885,135	1,263,105

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

Notes to the financial statements

For the year ended 30 June 2017

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 2017 by the Branch Executive of the Group.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standard Board (AASB) that apply for the reporting period, and the Fair Work (Registered Organisations) Act 2009. For the purpose of preparing the general purpose financial statements, the Branch is a not-for-profit entity.

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 an accrual basis and in accordance with the historical cost basis, except for certain assets and liabilities measured at fair value as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. 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.

(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 2017 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

Notes to the financial statements (continued)

For the year ended 30 June 2017

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

(c) Basis 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.

Notes to the financial statements (continued)

For the year ended 30 June 2017

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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.

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

(iv) Interest income

Interest income is recognised on an accrual basis and is recorded using the actual interest rate.

(v) Dividend income

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

(vi) Government grants

Government grants are not recognised until there is reasonable assurance that the Branch will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognized in profit and loss on a systematic basis over the periods in which the Branch recognizes as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary conditions is that the Branch should purchase, construct otherwise acquire non-current assets are recognized as deferred revenue in the statement of financial position and transferred to profit and loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Branch with no future related costs are recognized in profit or loss in the period in which they become receivable.

Notes to the financial statements (continued)

For the year ended 30 June 2017

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Revenue (continued)

(vii) Receivables for goods and services

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

(ix) Rental income

Rental income from leasing of office space is recognised on a straight-line basis over the terms of the relevant leases.

(x) Gains from sale of assets

Gains and losses from disposal of assets are recognised when control of the asset has passed to the buyer.

(xi) Capitation fees and levies

Capitation fees and levies are recognised on an accrual basis and recorded as a revenue and/or expense in the year to which it relates.

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.*

(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.

Notes to the financial statements (continued)

For the year ended 30 June 2017

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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 that are readily convertible to known amount of cash and subject to insignificant risk of changes in value.

(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.

Depreciation

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

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

Class of plant and equipment	Useful life
Plant and equipment	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

Notes to the financial statements (continued)

For the year ended 30 June 2017

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Investment property (continued)

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 profit or loss in the year in which it arises.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

(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 and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

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.

(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.

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.

Notes to the financial statements (continued)

For the year ended 30 June 2017

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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.

(r) Provisions and employee benefit provisions

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

Notes to the financial statements (continued)

For the year ended 30 June 2017

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Provisions and employee benefit liabilities (continued)

payments are discounted using market yields at the reporting date on high quality corporate 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.

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

i) Receivables

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

ii) Held-to-maturity investments

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

iii) Available-for-sale investments

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

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is

Notes to the financial statements (continued)

For the year ended 30 June 2017

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Financial instruments (continued)

derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

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

iv) Financial liabilities

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

Impairment

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

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point. Impairment loss previously recognized in profit or loss is not reversed through profit or loss.

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

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

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

Derecognition

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

Notes to the financial statements (continued)

For the year ended 30 June 2017

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Contingent Liabilities and Contingent Assets

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

(u) Comparative figures

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

(v) 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.

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.

Notes to the financial statements (continued)

For the year ended 30 June 2017

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(v) Fair value measurement (continued)

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.

(w) Going Concern

The Group is not reliant on the agreed financial support of another reporting unit to continue on a going concern basis.

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instrument comprises cash, assets available for sale, 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.

Notes to the financial statements (continued)

For the year ended 30 June 2017

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(a) Interest rate risk (continued)

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

	CONSOLIDATED		PARENT	
	2017	2016	2017	2016
	$	$	$	$
Financial assets				
Cash and cash equivalents	2,722,890	2,664,484	885,135	1,263,105
	2,722,890	2,664,484	885,135	1,263,105

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

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

Judgements of reasonably possible movements:

	Higher/ (Lower) CONSOLIDATED		Higher/ (Lower) PARENT	
	2017	2016	2017	2016
	$	$	$	$
Post tax profit				
+1%	27,229	26,640	8,851	12,626
-1%	(27,229)	(26,640)	(8,851)	(12,626)

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

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

Notes to the financial statements (continued)

For the year ended 30 June 2017

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(c) Credit risk (continued)

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.

Contractual Maturity analysis of financial liabilities:

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

	On demand $	< 1 year $	1 - 2 years $	2 -5 years $	> 5 years $	Total $
CONSOLIDATED						
Financial liabilities						
Trade and other payables	455,508	-	-	-	-	455,508
Legal cost payable	6,109	-	-	-	-	6,109
Related party payables	42,637	-	-	-	-	42,637
	504,254	-	-	-	-	504,254
PARENT						
Financial liabilities						
Trade and other payables	401,168	-	-	-	-	401,168
Legal cost payable	-	-	-	-	-	-
Related party payables	50,819	-	-	600,000	-	650,819
	451,987	-	-	600,000	-	1,051,987

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.

Notes to the financial statements (continued)

For the year ended 30 June 2017

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(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 2017:

			Fair value measuring using		
	Date of valuation	*Total* $	*Quoted prices in active markets (Level 1)* $	*Significant observable inputs (Level 2)* $	*Significant unobservable inputs (Level 3)* $
Assets measured at fair value:					
CONSOLIDATED					
Investment properties (Note 13)	30 June 2017	11,700,000	-		11,700,000
Assets available for sale (Note 11)	30 June 2017	3,800,054	3,800,054	-	-

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 of financial assets

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 comprehensive income. The Branch engaged M3 Property, an independent valuation specialist, to assess fair value as at 30 June 2017 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.

Notes to the financial statements (continued)

For the year ended 30 June 2017

4 CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (continued)

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. $24,580 (2016: $ 88,217) impairment loss has been recorded on the financial assets due to significant diminution in certain investment balances.

5 REVENUE AND OTHER INCOME

		Consolidated		Parent	
		2017	*2016*	*2017*	*2016*
		$	*$*	*$*	*$*
(a)	**Income**				
	Revenue				
(i)	Membership contribution received by the Branch	2,200,908	1,660,612	2,200,908	1,660,612
	- Capitation fee	-	-	-	-
	- Levies	-	-	-	-
		2,200,908	1,660,612	2,200,908	1,660,612
(ii)	**Grants and/or donations**				
	- Grants	-	-	-	-
	- Donations	-	-	-	-
		-	-	-	-
(iii)	**Other Revenue**				
	Commission	385,845	364,519	384,899	343,546
	Interest	53,937	78,525	13,092	14,448
	Sundry Income	135,957	187,648	135,957	187,648
	Rental income Guild Properties	386,086	219,488	-	-
	Distribution income from:				
	- The Guild Properties (Victoria) Unit Trust	-	-	317,757	134,246
	Training income	482,666	468,997	482,666	468,997
	Pharmacy Business Support Services	752,802	559,253	752,802	559,253
	Customer Experience Index Program	188,442	188,442	188,442	188,442
	East Melb. Medicare Local	-	32,500	-	32,500
		2,385,735	2,099,372	2,275,615	1,929,080
		4,586,643	**3,759,984**	**4,476,523**	**3,589,692**

Notes to the financial statements (continued)

For the year ended 30 June 2017

5 REVENUE AND OTHER INCOME (continued)

		Consolidated		Parent	
		2017	2016	2017	2016
		$	$	$	$
(b)	Share of Profit from associate	122,546	498,384	-	-
(c)	Gain on divestment of investment	90,046	32,653	-	-
(d)	Gain on revaluation of investment property	1,450,000	1,098,205	-	-
(e)	**Other Income**				
	Other rental income	97,840	97,992	97,840	97,992
	Gain from sale of assets	452	13,225	452	13,225
	Distribution income from The Guild (Victoria) Computer Unit Trust	-	-	302,913	510,121
	Management Fees	-	-	177,600	190,300
	Dividends Income	183,996	183,539	-	-
		282,288	294,756	578,805	811,638
	Total Income	**6,531,523**	**5,683,982**	**5,055,328**	**4,401,330**

The Pharmacy Guild of Australia, Victoria is not in receipt of any other financial support from another reporting unit of the organisation.

6 INCOME TAX

	Consolidated		Parent	
	2017	2016	2017	2016
	$	$	$	$
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	-	-	-	-
Income tax expense reported in statement of profit or loss after other comprehensive income	-	-	-	-

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

Notes to the financial statements (continued)

For the year ended 30 June 2017

7 PROFIT FOR THE YEAR

		Consolidated		Parent	
		2017	*2016*	*2017*	*2016*
		$	*$*	*$*	*$*
Profit for the year has been determined after charging:					
	Expenses				
(a)	Capitation fee expense - membership contributions to National Council	1,280,884	734,878	1,280,884	734,878
(b)	Committee fees and allowances for attendance at meeting and conference	5,630	7,320	5,630	7,320
(c)	**Employee benefit relating to "Holders of Office"**				
	- Wages	151,453	153,350	151,453	153,350
	- Superannuation	14,963	14,962	14,963	14,962
	- Leave and other entitlements	-	-	-	-
	- Separation and redundancies	-	-	-	-
		166,416	168,312	166,416	168,312
	Employee benefit relating to "Other than Holders of Office"				
	- Wages	1,711,860	1,883,841	1,711,860	1,883,841
	- Superannuation	267,623	287,225	267,623	287,225
	- Leave and other entitlements	153,420	255,806	153,420	255,806
	- Separation and redundancies	106,583	8,978	106,583	8,978
	- Other employee expense	182,864	195,506	182,864	195,506
	Total employee benefits	2,422,350	2,631,356	2,422,350	2,631,356
	Total employee benefit	**2,588,766**	**2,799,668**	**2,588,766**	**2,799,668**

Note:

Section 143(1)(a) of the Fair Work (Registered Organisations) Act 2009 necessitates an election to fill each "Office" in an organization. As the position of Branch Director is not an elected position per the Pharmacy Guild of Australia's constitution, the Branch Director is not regarded as "Holder of Office of the Branch. Accordingly, the employee benefits for the Branch Director is reclassified to employee benefit relating to "other than Holders of Office" to conform with current year presentation. There is no impact on the reclassification.

There were no expenses incurred by Pharmacy Guild of Australia, Victoria as consideration for making payroll deductions of membership subscriptions.

Notes to the financial statements (continued)

For the year ended 30 June 2017

7 PROFIT FOR THE YEAR (continued)

		Consolidated		Parent	
		2017	*2016*	*2017*	*2016*
		$	*$*	*$*	*$*
(d)	**Grants and donations**				
	Grants:				
	- Total paid that were $1,000 or less	-	-	-	-
	- Total paid that exceeded $1,000	-	-	-	-
		-	-	-	-
	Donations:				
	- Total paid that were $1,000 or less	823	2,657	823	2,657
	- Total paid that exceeded $1,000	79,582	65,114	79,582	65,114
		80,405	67,771	80,405	67,771

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

		Consolidated 2017 $	Consolidated 2016 $	Parent 2017 $	Parent 2016 $
(e)	**Levies**				
	Levies imposed	-	-	-	-
(f)	**Members briefing costs**	18,566	13,428	18,566	13,428
(g)	**Legal expense**				
	- litigations	-	-	-	-
	- other legal matters	35,222	104,489	27,856	74,026
		35,222	104,489	27,856	74,026
	Analysis of legal expense:				
	- legal expense paid	29,113	92,775	27,856	62,312
	- legal expense payable	6,109	11,714	-	11,714
		35,222	104,489	27,856	74,026
(h)	**Affiliation fees**	-	-	-	-
(i)	**Penalties - Fair Works (Registered Organisations) Act 2009**	-	-	-	-

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

Notes to the financial statements (continued)

For the year ended 30 June 2017

8 CASH AND EQUIVALENTS

	Consolidated		Parent	
	2017	*2016*	*2017*	*2016*
	$	*$*	*$*	*$*
Cash at bank	2,454,782	2,518,077	885,135	1,263,105
Term deposits	268,108	146,407	-	-
	2,722,890	2,664,484	885,135	1,263,105

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.

The Group has access to short-term deposits by giving 31 days' notice to withdraw part or all of the term deposits amount before maturity.

Reconciliation to the statement of cash flows

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

9 TRADE AND OTHER RECEIVABLES

	Consolidated		Parent	
	2017	*2016*	*2017*	*2016*
	$	*$*	*$*	*$*
Trade receivables	1,313,757	988,515	1,295,457	985,422
Other receivables	57,394	52,298	48,869	41,826
	1,371,151	1,040,813	1,344,326	1,027,248
Related party receivables	1,263	14,617	27,557	193,884
Trade and Other Receivables	**1,372,414**	**1,055,430**	**1,371,883**	**1,221,132**

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		Parent	
	2017	*2016*	*2017*	*2016*
	$	*$*	*$*	*$*
Neither past due nor impaired	57,394	66,915	48,869	235,710
Past due but not impaired:				
< 30 days	1,294,286	951,406	1,302,280	948,313
30 - 60 days	11,541	8,671	11,541	8,671
61 - 90 days	-	10,459	-	10,459
> 90 days	9,193	17,979	9,193	17,979
	1,315,020	988,515	1,323,014	985,422
Total trade and other receivables	1,372,414	1,055,430	1,371,883	1,221,132

Notes to the financial statements (continued)

For the year ended 30 June 2017

9 TRADE AND OTHER RECEIVABLES (continued)

(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.

10 OTHER ASSETS

	Consolidated		*Parent*	
	2017	*2016*	*2017*	*2016*
	$	$	$	$
Prepayments	65,659	61,002	61,697	59,210
Accrued income	388,970	357,449	69,289	50,791
Deferred Rent Assets	122,781	56,415	-	-
	577,410	474,866	130,986	110,001

Included in accrued income is an amount held in escrow relating to the 2014 FRED IT transaction, amounting to $275,847 (2016: $275,847).

11 ASSETS AVAILABLE FOR SALE

	Consolidated		*Parent*	
	2017	*2016*	*2017*	*2016*
	$	*$*	*$*	*$*
Australia listed equities	1,318,097	1,793,593	-	-
Global equities	778,118	922,530	-	-
Interest bearing securities	1,703,839	1,779,615	-	-
	3,800,054	4,495,738	-	-

As at 30 June 2017, the Group held the following available for sale financial instruments measured at fair value:

	Level 1	*Level 2*	*Level 3*
	$	*$*	*$*
Australia listed equities	1,318,097	-	-
Global equities	778,118	-	-
Interest bearing securities	1,703,839	-	-

Notes to the financial statements (continued)

For the year ended 30 June 2017

12 PROPERTY, PLANT AND EQUIPMENT

	Consolidated		*Parent*	
	2017	*2016*	*2017*	*2016*
	$	*$*	*$*	*$*
Plant and equipment				
At cost	1,029,084	1,018,761	1,029,084	1,018,761
Accumulated depreciation	(904,058)	(784,702)	(904,058)	(784,702)
Net carrying amount	125,026	234,059	125,026	234,059
Motor vehicles				
At cost	74,145	92,725	74,145	92,725
Accumulated depreciation	(44,617)	(46,385)	(44,617)	(46,385)
Net carrying amount	29,528	46,340	29,528	46,340
Total property, plant and equipment				
At fair value	-	-	-	-
At cost	1,103,229	1,111,486	1,103,229	1,111,486
At cost	1,103,229	1,111,486	1,103,229	1,111,486
Accumulated depreciation	(948,675)	(831,087)	(948,675)	(831,087)
Net carrying amount	**154,554**	**280,399**	**154,554**	**280,399**

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

	Consolidated 2017 $	*Consolidated 2016 $*	*Parent 2017 $*	*Parent 2016 $*
Plant and equipment				
Balance at the beginning of the year				
At cost	1,018,761	990,832	1,018,761	990,832
Accumulated depreciation	(784,702)	(679,422)	(784,702)	(679,422)
Net carrying amount	**234,059**	**311,410**	**234,059**	**311,410**
Additions	10,324	42,583	10,324	42,583
Disposals	-	(1,019)	-	(1,019)
Depreciation charge for the year	(119,356)	(118,915)	(119,356)	(118,915)
Balance at the end of the year - net carrying amount	**125,027**	**234,059**	**125,027**	**234,059**
Motor vehicles				
Balance at the beginning of the year				
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**
Additions	-	-	-	-
Disposals	(5,457)	(10,720)	(5,457)	(10,720)
Depreciation charge for the year	(11,356)	(15,263)	(11,356)	(15,263)
Balance at the end of the year - net carrying amount	**29,527**	**46,340**	**29,527**	**46,340**

Notes to the financial statements (continued)

For the year ended 30 June 2017

12 PROPERTY, PLANT AND EQUIPMENT (continued)

	Consolidated		Parent	
	2017	*2016*	*2017*	*2016*
	$	*$*	*$*	*$*
Total property, plant and equipment				
Balance at the beginning of the year				
At fair value	-	-	-	-
At cost	1,111,486	1,144,978	1,111,486	1,144,978
Accumulated depreciation	(831,087)	(761,245)	(831,087)	(761,245)
Net carrying amount	**280,399**	**383,733**	**280,399**	**383,733**
Additions	10,324	42,583	10,324	42,583
Disposals	(5,457)	(11,739)	(5,457)	(11,739)
Depreciation charge for the year	(130,712)	(134,178)	(130,712)	(134,178)
Balance at the end of the year - net carrying amount	**154,554**	**280,399**	**154,554**	**280,399**

13 INVESTMENT PROPERTY

	Consolidated		Parent	
	2017	*2016*	*2017*	*2016*
	$	*$*	*$*	*$*
Opening balance at 1 July	10,250,000	8,750,000	-	-
Additions	-	-	-	-
Net gain from fair value adjustments	1,450,000	1,500,000	-	-
Closing balance at 30 June	11,700,000	10,250,000	-	-
Investments in freehold land and buildings	11,700,000	10,250,000	-	-

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

	Valuation technique	Significant unobservable Inputs	Range (weighted average) 2017	2016
Investment properties	DCF method	Estimated office area rental per sqm per month	$ 345	$ 340
		Estimated car space rental per car park bay per month	$ 205	$ 180
		Discount rate	7.8%	8%

Notes to the financial statements (continued)

For the year ended 30 June 2017

13 INVESTMENT PROPERTIES (continued)

(b) The land and building was independently valued at $11,700,000 by M3 Property as at 30 June 2017. 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 $1,450,000 being recognised within the profit and loss for the year ended 30 June 2017 (2016: $1,098,205), after taking into account some building upgrades.

Significant increase/decrease in the estimated rental value and discount rates would result in significantly higher/lower fair value of investment property.

The highest and best use of the investment property is not considered different to the current use.

14 INVESTMENT ACCOUNTED FOR USING THE EQUITY METHOD

	Consolidated	
	2017	*2016*
	$	*$*
Investment in associate, FRED IT Group Pty Ltd	4,291,406	4,168,860

The equity interest in FRED IT Group Pty Ltd is 35% (2016: 35%) and has been equity accounted.

Movement during the year in equity accounted investment in associate

Balance at 1 July	4,168,860	3,915,476
Add: share of associate's profit after income tax	122,546	498,384
Less: dividend revenue from associate	-	(245,000)
Balance at 30 June	4,291,406	4,168,860

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

The principal activities of FRED IT Group Pty Ltd are the provision of IT hardware, software and services to pharmacies and other retailers.

The associate had no contingent liabilities or capital commitment at 30 June 2017 (2016: $nil).

Notes to the financial statements (continued)

For the year ended 30 June 2017

14 INVESTMENT ACCOUNTED FOR USING THE EQUITY METHOD (continued)

The following illustrates summarized financial information relating to the Group's investment in associate:

Extract from the associate's statement of financial position

	2017	*2016*
	$	*$*
Current assets	4,310,460	4,924,318
Non-current assets	19,043,649	17,459,009
	23,354,109	22,383,327
Current liabilities	9,064,685	8,790,132
Non-current liabilities	2,806,817	2,746,434
	11,871,502	11,536,566
Net assets	11,482,607	10,846,761
Share of associate's net assets 35% (2016:35%)	4,018,912	3,796,366

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

Revenue	38,146,909	40,523,665
Net profit after tax	635,847	1,423,954
Share of associates net profits after tax 35% post adjustments (2016:35%)	122,546	498,384

Notes to the financial statements (continued)

For the year ended 30 June 2017

15 TRADE AND OTHER PAYABLES

	Consolidated		Parent	
	2017	2016	2017	2016
	$	$	$	$
Current				
Trade payables and accruals	455,508	556,988	401,168	455,174
Legal cost payable	6,109	11,714	-	11,714
Unearned revenue	1,077,469	845,806	1,077,469	845,806
Deferred revenue	1,184,441	1,606,879	1,184,441	1,606,879
Security deposit held in trust	-	-	-	-
	2,723,527	3,021,387	2,663,078	2,919,573
Related party payables	42,637	19,819	50,819	24,534
	2,766,164	3,041,206	2,713,897	2,944,107
Non-current				
Security deposit held in trust	49,269	33,528	-	-
Related party payables	-	-	600,000	-
	49,269	33,528	600,000	-

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 PROVISIONS

	Consolidated		Parent	
	2017	2016	2017	2016
	$	$	$	$
Current				
Annual leave	140,818	167,163	140,818	167,163
Long service leave	209,122	269,214	209,122	269,214
	349,940	436,377	349,940	436,377
Non-Current				
Long service leave	50,448	41,399	50,448	41,399
	50,448	41,399	50,448	41,399
Total Employee benefit provisions	**400,388**	**477,776**	**400,388**	**477,776**

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 provisions.

Notes to the financial statements (continued)

For the year ended 30 June 2017

16 EMPLOYEE BENEFIT PROVISIONS (continued)

		Consolidated 2017 $	Consolidated 2016 $	Parent 2017 $	Parent 2016 $
	Employee benefit provisions are analysed as follows:				
(i)	**Relating to "Holders of Offices"**				
	- Annual leave	-	-	-	-
	- Long service leave	-	-	-	-
	- Separation and redundancies	-	-	-	-
	- Other employee provisions	-	-	-	-
(ii)	**Relating to employees ("other than Holders of Offices")**				
	- Annual leave	140,818	167,163	140,818	167,163
	- Long service leave	259,570	310,613	259,570	310,613
	- Separation and redundancies	-	-	-	-
	- Other employee provisions	-	-	-	-
	Total employee benefit provisions	400,388	477,776	400,388	477,776

No provisions were made for employee benefits relating to Branch Committee (2016: Nil).
No provisions were made for separation and redundancies or other employee provisions (2016: 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.

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.

Notes to the financial statements (continued)

For the year ended 30 June 2017

16 EMPLOYEE BENEFIT PROVISIONS (continued)

Amounts not expected to be settled within the next 12 months

	Consolidated		Parent	
	2017	2016	2017	2016
	$	$	$	$
Current leave obligations expected to be settled after 12 months	266,778	39,607	266,778	39,607

No provisions were made for:

(i) separation and redundancies or other employee provisions (2016: Nil)
(ii) payables to employers as consideration for the employers making payroll deductions of member subscriptions (2016: Nil)
(iii) payables in respect of legal costs and expenses related to:
  (a) litigation; and
  (b) other legal matters.

17 STATEMENT OF CASH FLOW RECONCILIATION

	Consolidated		Parent	
	2017	2016	2017	2016
	$	$	$	$
Reconciliation of net profit for the year to net cash used in operations				
Profit/(loss) for the year	1,474,347	687,993	24,187	(403,580)
Adjustment for:				
Depreciation	130,712	134,177	130,712	134,177
Gain on revaluation of investment property	(1,450,000)	(1,098,205)	-	-
Gain on sale of fixed assets	(452)	(13,225)	(452)	(13,225)
Assets written off	-	1,019	-	1,019
Distribution income from The Guild (Victoria) Computer Unit Trust	-	-	(302,913)	(510,121)
Distribution income from The Guild Properties (Victoria) Unit Trust	-	-	(317,755)	(220,460)
Loan payable classified as financing cash flow	-	-		-
Interest paid classified as financing cash flow	-	-	10,586	-
Dividend income classified as investing cash flow	(183,996)	(183,539)	-	-
(Gain)/loss on divestment of other investments	(90,046)	(32,653)	-	-
Impairment loss	24,580	88,217		
Share of profit from joint venture entity	(122,546)	(498,384)	-	-
Changes in assets and liabilities				
Decrease/(increase) in trade and other receivables	(316,985)	142,884	(150,751)	(81,950)
Decrease/(increase) in other assets	(102,544)	273,008	(20,985)	151,933
(Decrease)/Increase in trade and other payables	(275,042)	203,191	(230,210)	413,994
(Decrease)/increase in employee benefit liabilities	(77,388)	88,748	(77,388)	88,748
Increase in other liabilities	15,741	33,530	-	-
Net cash flows (used in)/from operating activates	(973,619)	(173,239)	(934,969)	(439,465)

Notes to the financial statements (continued)

For the year ended 30 June 2017

17 STATEMENT OF CASH FLOW RECONCILIATION (continued)

	Consolidated		Parent	
	2017	2016	2017	2016
	$	$	$	$
Cash Flow information				
Cash inflows	5,664,256	5,370,839	5,074,657	5,877,984
Cash outflows	(5,605,850)	(6,296,529)	(5,452,627)	(5,755,204)

	2017	2016
	$	$
Cash flow information related to controlled entities		
Cash inflows		
The Guild (Victoria) Computer Unit Trust	685,800	1,439,000
The Guild Properties (Victoria) Unit Trust	257,016	203,191
Care Energy Australia Pty Ltd	-	12,700
Cash Outflows		
The Guild (Victoria) Computer Unit Trust	10,586	-
The Guild Properties (Victoria) Unit Trust	286,249	451,719
Care Energy Australia Pty Ltd	-	-

18 RELATED PARTIES 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.

Notes to the financial statements (continued)

For the year ended 30 June 2017

18 RELATED PARTIES DISCLOSURE (continued)

	Consolidated 2017 $	*Consolidated* 2016 $	*Parent* 2017 $	*Parent* 2016 $
(b) Balances with related parties				
(i) Amounts payable to related parties: Amounts included in trade and other payables - Note 15				
Current				
The Pharmacy Guild of Australia (National Secretariat)	(42,637)	(19,819)	(42,637)	(19,819)
The Guild Properties (Victoria) Unit Trust	-	-	(8,182)	(4,715)
	(42,637)	(19,819)	(50,819)	(24,534)
Non-Current				
Pharmacy Computers Australia Pty Ltd	-	-	(600,000)	-
	(42,637)	(19,819)	(650,819)	(24,534)
(ii) Amounts receivable from related parties: *Amounts included in trade and other receivables - Note 9*				
The Pharmacy Guild of Australia (National Secretariat)	1,263	3,027	1,263	3,028
Care Energy Australia Pty Ltd	-	-	26,031	21,850
The Guild Properties (Victoria) Unit Trust			263	157,416
Pharmadotcom Pty Ltd	-	11,590	-	11,590
	1,263	14,617	27,557	193,884
Present Entitlement receivable from :				
The Guild Properties (Victoria) Unit Trust	-	-	538,215	220,458
The Guild (Vic) Computer Unit Trust	-	-	4,409,058	4,106,147
	-	-	4,947,273	4,326,605

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

(c) Transactions with related parties

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

	Consolidated 2017 $	*Consolidated* 2016 $	*Parent* 2017 $	*Parent* 2016 $
The Pharmacy Guild of Australia National Secretariat				
Membership contributions paid by Victorian Branch				
Terms: 58% (2016 :44.29%) of gross membership feees received.	(1,280,884)	(734,875)	(1,280,884)	(734,875)

Notes to the financial statements (continued)

For the year ended 30 June 2017

18 RELATED PARTIES DISCLOSURE (continued)

(c) Transactions with related parties (continued)

	Consolidated		*Parent*	
	2017	*2016*	*2017*	*2016*
	$	*$*	*$*	*$*
Other related parties				
Pharmacy Computers Australia Pty Ltd				
Managemnt Fee received from Victorian Branch	-	-	85,800	78,000
Loan to Victorian Branch	-	-	600,000	-
Loan interest paid by Victorian Branch		-	(10,586)	-
	-	-	675.214	78.000

The loan provided by Pharamcy Computers Australia Pty Ltd to Pharmacy Guild of Australia, Victoria bears interest rate at 4.0% and is payable within three years.

Guild Properties (Victoria) Unit Trust				
(i) Management Fees received by Victorian Branch	-	-	99,600	99,600
(ii) Building refurbishment costs repaid to Victorian Branch	-	-	157,416	-
(i) Office rental paid by Victorian Branch	-	-	(235,224)	(235,500)
(ii) Building outgoings costs & maintenance paid by Victoria Branch	-	-	(57,078)	(58,965)
(iii) Building refurbishment costs paid by Victorian Branch	-	-	-	(157,416)
Term: Normal commercial term	-	-	(35.286)	(352.281)
Care Energy Australia Pty Ltd				
(i) Management Fees received by Victorian Branch			-	12,700
Term: Normal commercial term	-	-	-	12,700
Subsidiaries of the Pharmacy Guild of Australia				
(i) **Gold Cross Products and Services Pty Ltd**				
Commission received for distribution of its material				
Terms: Base on membership % applied to gross division income	101,038	94,981	101,038	94,981
(ii) **Guild Insurance Company Ltd**				
Commission received for business referred from Victorian Branch members				
Terms: Percentage of business received, calcluated on normal commercial term.	260,411	234,772	260,411	234,772
Subsidiaries of Gold Cross Products and Services Pty Ltd				
Domain fees received from:				
Phramadotcom Pty Ltd	11.590	-	11,590	-

Notes to the financial statements (continued)

For the year ended 30 June 2017

18 RELATED PARTIES DISCLOSURE (continued)

(d) Cash flow movement with related parties

	Consolidated 2017 $	Consolidated 2016 $	Parent 2017 $	Parent 2016 $
(i) Receipts from related parties				
The Pharmacy Guild of Australia (National Secretariat)	1,012,461	855,683	1,012,461	855,683
The Pharmacy Guild of Australia (ACT)	-	-	-	-
The Pharmacy Guild of Australia (NSW)	6,063	12,162	6,063	12,162
The Pharmacy Guild of Australia (NT)	-	-	-	-
The Pharmacy Guild of Australia (QLD)	4,228	1,631	4,228	1,631
The Pharmacy Guild of Australia (SA)	-	-	-	-
The Pharmacy Guild of Australia (TAS)	132	-	132	-
The Pharmacy Guild of Australia (WA)	28,450	18,132	28,450	18,132
Guild Pharmacy Academy	62,026	89,332	62,026	89,332
Gold Cross Products and Services Pty Ltd	101,038	98,718	101,038	98,718
Guild Insurance & Financial Services Ltd	260,411	245,160	260,411	245,160
Pharmacy Computers Australia Pty Ltd	685,800	1,439,000	685,800	1,439,000
The Guild Properties (Victoria) Unit Trust	257,016	203,191	257,016	203,191
Care Energy Australia Pty Ltd	-	12,700	-	12,700
Pharmadotcom Pty Ltd	11,590	-	11,590	-
	2,429,215	2,975,709	2,429,215	2,975,709
(ii) Payments to related parties				
The Pharmacy Guild of Australia (National Secretariat)	1,295,821	812,985	1,295,821	812,985
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	-	7,000
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 Insurance & Financial Services Ltd	34,633	42,631	34,633	42,631
Pharmacy Computers Australia Pty Ltd	10,586	-	10,586	-
The Guild Properties (Victoria) Unit Trust	286,249	451,719	286,249	451,719
	1,627,289	1,386,085	1,627,289	1,386,085

Notes to the financial statements (continued)

For the year ended 30 June 2017

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*	
	2017	*2016*	*2017*	*2016*
	$	*$*	*$*	*$*
Wages and salaries	393,961	399,410	393,961	399,410
Superannuation	39,428	39,427	39,428	39,427
Leave & other entitlements	24,219	10,530	24,219	10,530
Separation & redundancies	-	-	-	-
Branch Committee allowances	3,000	3,000	3,000	3,000
	460,608	452,367	460,608	452,367

There were no loans to/from key management personnel.

20 EVENTS AFTER THE REPORTING PERIOD

There were no events that occurred after 30 June 2017 and prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the group.

21 RESERVES

	Consolidated		
	Income reserve - capital gain	**Available for sale reserve**	**Total**
	$	*$*	*$*
At 1 July 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
Net fair value gain in assets available for sale	-	119,293	119,293
At 30 June 2017	5,893,106	184,233	6,077,339

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 2017

22 CONTROLLED ENTITIES CONSOLIDATED

Subsidiaries or associated entities of The Pharmacy Guild of Australia, Victoria	Country of incorporation	Percentage Owned (%) 2017	2016
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	100

Associates of The Pharmacy Guild of Australia, Victoria	Country of incorporation	Percentage Owned (%) 2017	2016
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:

	Consolidated		*Parent*	
	2017	*2016*	*2017*	*2016*
	$	*$*	*$*	*$*
Within one year	33,868	19,936	33,868	19,936
After one year but not more than five years	53,351	24,951	53,351	24,951
Total minimum lease payments	87,219	44,887	87,219	44,887

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

	Consolidated		*Parent*	
	2017	*2016*	*2017*	*2016*
	$	*$*	*$*	*$*
Within one year	487,776	232,454	-	-
After one year but not more than five years	729,728	1,217,504	-	-
Total minimum lease income	1,217,504	1,449,958	-	-

(b) Capital commitments

There were no capital commitments as at 30 June 2017 (30 June 2016: Nil).

Notes to the financial statements (continued)

For the year ended 30 June 2017

24 AUDITOR'S REMUNERATION

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

	2017 *$*	*2016* *$*
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	45,940	45,940

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 (2016: 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 2017.

Notes to the financial statements (continued)

For the year ended 30 June 2017

25 OTHER INFORMATION REQUIRED FOR PURPOSES OF SECTION 253 FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009 (continued)

(d) Other Expenses

No expenses are incurred as:

(i) consideration for employers making payroll deductions of membership subscriptions;

(ii) affiliation fees to any political party, any federation, congress, council or group of organsiations or any international body having an interest in industrial matters;

(iii) compulsory levies imposed on the Branch.

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

For the year ended 30 June 2017

We, being the designated officers responsible for preparing this report for the financial year ended 30 June 2017 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 Affairs

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 7 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 2017 the number of members of The Pharmacy Guild of Australia, Victoria was 854 including Honorary Life & 50 Year Life Members.

(f) Number of employees

As at 30 June 2017 the number of equivalent full time employees of The Pharmacy Guild of Australia, Victoria was 25.

Operating report (continued)

For the year ended 30 June 2017

(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
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

BRUCE ROBERTSON
Vice President - Treasurer

30 August 2017

Committee of management statement

For the year ended 30 June 2017

On 30 August 2017, 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 2017.

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

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

(b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act);

(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 2017;

(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 RO Act; and

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

   (v) where information has been sought in any request of a member of The Pharmacy Guild of Australia, Victoria or Commissioner duly made under section 272 of the RO Act has been furnished or made available to the member or Commissioner; and

   (vi) where any order for inspection of financial records has been made by the Registered Organisations Commission under section 273 of the RO Act, there has been compliance.

(f) The Pharmacy Guild of Australia, Victoria has not derived from undertaking recovery of wages activity during the financial year ended 30 June 2017.

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

ANTHONY TASSONE
Branch President

BRUCE ROBERTSON
Vice President - Treasurer

30 August 2017

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Independent Auditor's Report to the Members of The Pharmacy Guild of Australia - Victoria

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of The Pharmacy Guild of Australia - Victoria and its subsidiaries (collectively the Guild), which comprises the consolidated statement of financial position as at 30 June 2017 the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended 30 June 2017, notes to the financial statements, including a summary of significant accounting policies; and the Committee of Management Statement.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the consolidated financial position of The Pharmacy Guild of Australia - Victoria as at 30 June 2017, and its consolidated financial performance and its cash flows for the year ended on that date in accordance with:

(a) the Australian Accounting Standards; and

(b) any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the RO Act).

We declare that management's use of the going concern basis in the preparation of the financial statements of the Guild is appropriate.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Guild in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Information Other than the Financial Report and Auditor's Report Thereon

The Committee of Management is responsible for the other information. The other information obtained at the date of this auditor's report is in the Operating Report accompanying the financial report.

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

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

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

Responsibilities of the Committee of Management for the Financial Report

The Committee of Management of the Guild is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the Committee of Management determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

Our objective is to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Guild's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.

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- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Guild's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Guild to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Guild to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Guild audit. We remain solely responsible for our audit opinion.

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

The engagement partner on the audit resulting in this independent auditor's report is Fiona M Campbell who is an approved auditor, a member of Chartered Accountants Australia and New Zealand and holds a current Certificate of Public Practice.

Ernst & Young

Ernst & Young

FCampbell

Fiona M Campbell
Partner
Melbourne
30 August 2017
Registration number (as registered by the RO Commissioner under the RO Act): AA2017/3

The Pharmacy Guild of Australia
VIC Branch

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