Australian Government
Registered Organisations Commission

18 December 2018

Mr Anthony Tassone
President
Pharmacy Guild of Australia, Victoria Branch
40 Burwood Road
HAWTHORN VIC 3122

By email: info@vicguild.org.au

CC: Richard.Bembridge@au.ey.com

Dear Mr Tassone,

Pharmacy Guild of Australia, Victoria Branch
Financial Report for the year ended 30 June 2018 - [FR2018/226]

I acknowledge receipt of the financial report for the year ended 30 June 2018 for the Pharmacy Guild of Australia, Victoria Branch. The documents were lodged with the Registered Organisations Commission (**the ROC**) on 1 October 2018.

The financial report has now been filed.

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

Please note that the financial report for the year ending 30 June 2019 may be subject to an advanced compliance review.

You are not required to take any further action in respect of the report lodged, however I make the following comments to assist you when you next prepare a financial report. The ROC will confirm these matters have been addressed prior to filing next year's report.

Prescribed information in Operating report

Regulation 159(c) requires an operating report to contain the name of each person who has been a member of the committee of management of the reporting unit at any time during the reporting period, and the period for which he or she held such a position. The ROC takes the words "at any time" to mean that all persons, whether they held their position for the full year or for part of the year, must be included.

I note that the name of Hassan El-Ahmad appeared in the previous year's operating report but did not appear in this year's operating report. There was no indication that Hassan El-Ahmad had resigned during, or at the end of, the previous year, and without any such indication the question arises whether his name has been inadvertently omitted.

In future years, please ensure that all persons are included and the periods for which they held their position are clearly indicated.

References to the ROC

Following the enactment of the *Fair Work (Registered Organisations) Amendment Act 2016*, the ROC is the new regulator for registered organisations, with effect from 1 May 2017. All references to the Fair Work Commission (**FWC**) and General Manager must be changed to the Registered Organisations Commission and Commissioner except in relation to declaration (e)(vi) in the committee of management statement.

I note that item (e)(vi) in the committee of management statement referred to the 'Registered Organisations Commission' instead of the 'FWC', whilst note 27 referred to the 'General Manager' instead of the 'Commissioner'.

The reference to the 'General Manager of the Fair Work Commission', in paragraph (c) of the operating report in regards to section 272, should in future refer to the 'Commissioner'.

Nil activities disclosure

Item 21 of the reporting guidelines states that if any of the activities identified within items 10-20 of the reporting guidelines have not occurred in the reporting period, a statement to this effect must be included either in the financial statements, the notes or in the officer's declaration statement. The notes and officer's declaration statement contained nil activity information for all prescribed reporting guideline categories except the following:

- pay other employment expenses for holders of office (reporting guideline 14(f)(v)).

Please ensure in future years that the above mentioned item is disclosed in either the financial statements, the notes or in the officer's declaration statement as per the reporting guidelines.

I also note that the following nil activity disclosures in the officer declaration statement were duplicated elsewhere in the body of the notes:

- agree to provide financial support to another reporting unit to ensure they continue as a going concern (reporting guideline 11) is disclosed in both the officer declaration statement and Note 26(a)(i);
- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission, (reporting guideline 12) is disclosed in both the officer declaration statement and Note 26(a)(ii).

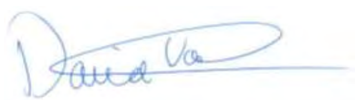
Please note that nil activities only need to be disclosed once.

Reporting Requirements

The ROC website provides a number of factsheets in relation to the financial reporting process and associated timelines. The website also contains the s.253 reporting guidelines and a model set of financial statements. The ROC recommends that reporting units use these model financial statements to assist in complying with the RO Act, the s.253 reporting guidelines and Australian Accounting Standards. Access to this information is available via this link.

If you have any queries regarding this letter, please contact me on (02) 8293 4654 or via email at david.vale@roc.gov.au.

Yours faithfully



David Vale
Registered Organisations Commission

The Pharmacy Guild of Australia

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER
For the Financial Year Ended 30 June 2018

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 2018 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 2018 were made available to members free of charge on 31st August 2018; and

3. The full report was presented at the Annual General Meeting of the Pharmacy Guild of Australia, Victoria Branch on 25th September 2018 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009.*

President
The Pharmacy Guild of Australia, Victoria

01 October 2018

Victoria
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PHARMACY GUILD OF AUSTRALIA, VICTORIA

ABN 35 603 508 734

GENERAL PURPOSE FINANCIAL REPORT
For the year ended 30 June 2018

Contents

Statement of comprehensive income

For the year ended 30 June 2018

	Note	Consolidated 2018 $	Consolidated 2017 $	Parent 2018 $	Parent 2017 $
INCOME					
Revenue	5(a)	4,312,142	4,684,483	4,082,380	4,574,363
Share of profit from associate	5(b)	133,909	122,546	-	-
Gain on divestment of investment	5(c)	107,509	90,046	-	-
Gain on revaluation of investment property	5(d)	1,992,830	1,450,000	-	-
Other Income	5(e)	199,676	184,448	535,071	480,965
		6,746,066	6,531,523	4,617,451	5,055,328
PROJECT PAYMENTS AND OTHER EXPENSES					
Administration		424,078	379,792	667,458	620,722
Management fees		7,800	7,800	-	-
Building outgoings		281,410	268,753	90,615	88,881
Committee fees and allowances	7	5,590	5,630	5,590	5,630
Depreciation		109,680	130,712	109,680	130,712
Employee benefit expenses	7	2,709,257	2,588,766	2,709,257	2,588,766
Legal and professional fees		356,234	148,168	173,124	96,648
Membership contributions to National Council	7	803,142	1,280,884	803,142	1,280,884
Impairment expenses		-	24,580	-	-
Public relations		98,635	101,096	98,635	97,903
Travelling expenses		114,695	100,741	114,695	100,741
Minimum lease payments - operating lease		21,389	20,254	21,389	20,254
Assets written off		2,734	-	2,734	-
		4,934,644	**5,057,176**	**4,796,319**	**5,031,141**
PROFIT/(LOSS) BEFORE INCOME TAX	7	**1,811,422**	**1,474,347**	**(178,868)**	**24,187**
Income tax expense	6	-	-	-	-
PROFIT/(LOSS) FOR THE YEAR	7	**1,811,422**	**1,474,347**	**(178,868)**	**24,187**
OTHER COMPREHENSIVE INCOME					
Other comprehensive income to be reclassified to profit or loss in subsequent periods:					
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		-	-	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods:					
Net fair value gain of available-for-sale financial assets		35,829	119,293	-	-
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		**35,829**	**119,293**	-	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR		**35,829**	**119,293**	-	-
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		**1,847,251**	**1,593,640**	**(178,868)**	**24,187**

Statement of comprehensive income (continued)
For the year ended 30 June 2018

	Consolidated		Parent	
	2018	2017	2018	2017
	$	$	$	$
Profit/(loss) attributable to:				
Members of the parent entity	1,811,422	1,474,347	(178,868)	24,187
	1,811,422	**1,474,347**	**(178,868)**	**24,187**
Other comprehensive income attributable to:				
Members of the parent entity	35,829	119,293	-	-
	35,829	**119,293**	**-**	**-**
Total comprehensive income attributable to:				
Members of the parent entity	1,847,251	1,593,640	(178,868)	24,187
	1,847,251	**1,593,640**	**(178,868)**	**24,187**

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

Statement of financial position

As at 30 June 2018

	Note	Consolidated 30.06.18 $	Consolidated 30.06.17 $	Parent 30.06.18 $	Parent 30.06.17 $
CURRENT ASSETS					
Cash and cash equivalents	8	1,187,198	2,722,890	631,169	885,135
Trade and other receivables	9	1,430,990	1,372,414	1,412,599	1,371,883
Other assets	10	233,055	577,410	46,673	130,986
		2,851,243	4,672,714	2,090,441	2,388,004
Assets available for sale	11	4,230,777	3,800,054	-	-
TOTAL CURRENT ASSETS		**7,082,020**	**8,472,768**	**2,090,441**	**2,388,004**
NON-CURRENT ASSETS					
Investment in subsidiary		-	-	175,002	175,002
Property, plant and equipment	12	132,589	154,554	132,589	154,554
Assets under development		-	47,090	-	47,090
Investment property	13	13,800,000	11,700,000	-	-
Investment in Associate	14	4,425,315	4,291,406	-	-
Investment in The Guild Properties (Vic) Unit Trust		-	-	8,852,714	8,852,714
Loan to Associate	17	1,000,000	-	-	-
Present entitlement receivable from					
The Guild (Vic) Computer Unit Trust	19	-	-	4,388,022	4,409,058
The Guild Properties (Vic) Unit Trust	19	-	-	638,438	538,215
TOTAL NON-CURRENT ASSETS		**19,357,904**	**16,193,050**	**14,186,765**	**14,176,633**
TOTAL ASSETS		**26,439,924**	**24,665,818**	**16,277,206**	**16,564,637**
CURRENT LIABILITIES					
Trade and other payables	15	2,748,257	2,766,164	2,660,572	2,713,897
Employee benefit provisions	16	277,613	349,940	277,613	349,940
TOTAL CURRENT LIABILITIES		**3,025,870**	**3,116,104**	**2,938,185**	**3,063,837**
NON-CURRENT LIABILITIES					
Security Deposit held in trust	15	49,269	49,269	-	-
Other payables	15	-	-	600,000	600,000
Employee benefit provisions	16	67,537	50,448	67,537	50,448
TOTAL NON-CURRENT LIABILITIES		**116,806**	**99,717**	**667,537**	**650,448**
TOTAL LIABILITIES		**3,142,676**	**3,215,821**	**3,605,722**	**3,714,285**
NET ASSETS		**23,297,248**	**21,449,997**	**12,671,484**	**12,850,352**
EQUITY					
Accumulated funds		17,184,080	15,372,658	8,887,404	9,066,272
Reserves		6,113,168	6,077,339	3,784,080	3,784,080
TOTAL EQUITY		**23,297,248**	**21,449,997**	**12,671,484**	**12,850,352**

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 2018

	Reserves (Notes 22) $	*Accumulated funds* $	*Total* $
CONSOLIDATED			
At 1 July 2016	5,958,046	13,898,311	19,856,357
Profit for the year	-	1,474,347	1,474,347
Other comprehensive income	119,293	-	119,293
At 30 June 2017	6,077,339	15,372,658	21,449,997
Profit for the year	-	1,811,422	1,811,422
Other comprehensive income	35,829	-	35,829
At 30 June 2018	**6,113,168**	**17,184,080**	**23,297,248**

PARENT	*Revaluation reserves* $	*Accumulated funds* $	*Total* $
At 1 July 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**
Loss for the year	-	(178,868)	(178,868)
Other comprehensive income	-	-	-
At 30 June 2018	**3,784,080**	**8,887,404**	**12,671,484**

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 2018

	Note	Consolidated 2018 $	Consolidated 2017 $	Parent 2018 $	Parent 2017 $
OPERATING ACTIVITIES					
Receipts in the course of operations:					
- reporting units and/or controlled entity	19(d)(i)	1,948,140	2,429,215	1,885,813	2,429,215
- members and customers		2,998,023	2,060,475	2,602,836	2,026,442
Payments in the course of operations:					
- reporting units and/or controlled entity	19(d)(ii)	(1,330,691)	(1,627,289)	(1,330,691)	(1,627,289)
- suppliers		(965,938)	(1,009,950)	(768,928)	(918,699)
- employees		(2,755,817)	(2,680,218)	(2,755,817)	(2,680,218)
Interest received		55,087	53,937	12,770	13,091
Income tax paid		-	-	-	-
Net GST paid to Australian Taxation Office		(246,258)	(199,789)	(211,099)	(177,511)
Net cash flows (used in) /from operating activities	18	(297,454)	(973,619)	(565,116)	(934,969)
INVESTING ACTIVITIES					
Distribution from related parties		-	-	375,000	-
Loan to Associate		(1,000,000)	-	-	-
Purchase of plant and equipment		(45,305)	(10,324)	(45,305)	(10,324)
Purchase of assets under development		-	(28,000)	-	(28,000)
Proceeds on sale of plant and equipment		5,455	5,909	5,455	5,909
Proceeds on sale of assets held for sale		1,782,863	930,724	-	-
Additions to investment property		(107,170)	-	-	-
Investment in controlled entity		-	-	-	-
Purchase of available-for-sale investments		(2,070,248)	(50,280)	-	-
Dividends received from investment in equities		196,167	183,996	-	-
Net cash flows (used in) /from investing activities		(1,238,238)	1,032,025	335,150	(32,415)
FINANCING ACTIVITIES					
Proceeds from borrowing		-	-	-	600,000
Interest paid		-	-	(24,000)	(10,586)
Net cash flows from financing activities		-	-	(24,000)	589,414
Net (decrease)/increase in cash and cash equivalents		(1,535,692)	58,406	(253,966)	(377,970)
Cash and cash equivalents at beginning of the year		2,722,890	2,664,484	885,135	1,263,105
Cash and cash equivalents at end of the year		1,187,198	2,722,890	631,169	885,135

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 2018

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 27 August 2018 by the Branch Executive of the Group.

2 SUMMARIES 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 2018 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 15:	Revenue from Contracts with Customers
AASB 2014-10:	Amendments to Australian Accounting Standards — Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
AASB 2015-2:	Amendments to Australian Accounting Standards — Disclosure Initiative: Amendments to AASB 101
AASB 2015-6:	Amendments to Australian Accounting Standards — Extending Related Party Disclosures to Not-for Profit Public Sector Entities
AASB 16:	Leases

Notes to the financial statements (continued)

For the year ended 30 June 2018

2 SUMMARIES OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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 23 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 2018

2 SUMMARIES 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.

(iii) Interest income

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

(iv) Dividend income

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

(v) 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.

(vi) 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.

(vii) Rental income

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

Notes to the financial statements (continued)

For the year ended 30 June 2018

2 SUMMARIES OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Revenue (continued)

(viii) Gains from sale of assets

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

(ix) 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.

(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.

Notes to the financial statements (continued)

For the year ended 30 June 2018

2 SUMMARIES OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Trade and other receivables (continued)

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 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.

Notes to the financial statements (continued)

For the year ended 30 June 2018

2 SUMMARIES OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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 equal 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 23.

(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 dispose 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.

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

(o) Leases

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

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

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

Notes to the financial statements (continued)

For the year ended 30 June 2018

2 SUMMARIES OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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 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.

Notes to the financial statements (continued)

For the year ended 30 June 2018

2 SUMMARIES OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Financial instruments (continued)

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.

i) Receivables

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

ii) Held-to-maturity investments

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

iii) Available-for-sale investments

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

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

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

iv) Financial liabilities

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

Notes to the financial statements (continued)

For the year ended 30 June 2018

2 SUMMARIES OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Financial instruments (continued)

v) 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.

vi) 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.

(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.

Notes to the financial statements (continued)

For the year ended 30 June 2018

2 SUMMARIES OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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 2018

2 SUMMARIES 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 2018

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	
	2018	*2017*	*2018*	*2017*
	$	*$*	*$*	*$*
Financial assets				
Cash and cash equivalents	1,187,198	2,722,890	631,169	885,135
	1,187,198	2,722,890	631,169	885,135

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*	
	2018	*2017*	*2018*	*2017*
	$	*$*	*$*	*$*
Post tax profit				
+1%	11,872	27,229	6,312	8,851
-1%	(11,872)	(27,229)	(6,312)	(8,851)

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 2018

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	466,119	-	-	-	-	466,119
Legal cost payable	25,162	-	-	-	-	25,162
Related party payables	46,428	-	-	-	-	46,428
	537,709	-	-	-	-	537,709
PARENT						
Financial liabilities						
Trade and other payables	368,136	-	-	-	-	368,136
Legal cost payable	22,716	-	-	-	-	22,716
Related party payables	61,281	-	-	600,000	-	661,281
	452,133	-	-	600,000	-	1,052,133

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 2018

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 2018:

			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 2018	13,800,000	-	13,800,000	-
Assets available for sale (Note 11)	30 June 2018	4,230,777	4,230,777	-	-

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 2018 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 2018

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. No impairment loss (2017: $ 24,580) has been recorded on the financial assets due to no significant or prolonged declines in value in the current year.

5 REVENUE AND OTHER INCOME

		Consolidated		*Parent*	
		2018	*2017*	*2018*	*2017*
		$	*$*	*$*	*$*
(a)	**Income**				
	Revenue				
(i)	Membership contribution received by the Branch	2,008,635	2,200,908	2,008,635	2,200,908
	- Capitation fee	-	-	-	-
	- Levies	-	-	-	-
	- Interest	-	-	-	-
	- Rental revenue	-	-	-	-
	- Other revenue	-	-	-	-
		2,008,635	2,200,908	2,008,635	2,200,908
(ii)	**Grants and/or donations**				
	- Grants	-	-	-	-
	- Donations	-	-	-	-
		-	-	-	-
(iii)	**Other Revenue**				
	Commission	6,068	385,845	5,761	384,899
	Interest	52,977	53,937	12,770	13,092
	Sundry Income	232,783	135,957	232,783	135,957
	Rental income Guild Properties	679,023	483,926	39,552	97,840
	Distribution income from:				
	- The Guild Properties (Victoria) Unit Trust	-	-	450,223	317,757
	Training income	576,946	482,666	576,946	482,666
	Pharmacy Business Support Services	567,268	752,802	567,268	752,802
	Customer Experience Index Program	188,442	188,442	188,442	188,442
		2,303,507	2,483,575	2,073,745	2,373,455
		4,312,142	**4,684,483**	**4,082,380**	**4,574,363**

Notes to the financial statements (continued)

For the year ended 30 June 2018

5 REVENUE AND OTHER INCOME (continued)

		Consolidated		*Parent*	
		2018	*2017*	*2018*	*2017*
		$	*$*	*$*	*$*
(b)	Share of Profit from associate	133,909	122,546	-	-
(c)	Gain on divestment of investment	107,509	90,046	-	-
(d)	Gain on revaluation of investment property	1,992,830	1,450,000	-	-
(e)	**Other Income**				
	Gain from sale of assets	3,509	452	3,509	452
	Distribution income from The Guild (Victoria) Computer Unit Trust	-	-	353,962	302,913
	Management Fees	-	-	177,600	177,600
	Dividends Income	196,167	183,996	-	-
		199,676	184,448	535,071	480,965
	Total Income	**6,746,066**	**6,531,523**	**4,617,451**	**5,055,328**

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*	
	2018	*2017*	*2018*	*2017*
	$	*$*	*$*	*$*
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 2018

7 PROFIT/(LOSS) FOR THE YEAR

		Consolidated		*Parent*	
		2018	*2017*	*2018*	*2017*
		$	*$*	*$*	*$*
Profit /(loss) for the year has been determined					
	Expenses				
(a)	Capitation fee expense - membership contributions to National Council	803,142	1,280,884	803,142	1,280,884
(b)	Committee fees and allowances for attendance at meeting and conference	5,590	5,630	5,590	5,630
(c)	**Employee benefit relating to "Holders of Office"**				
	- Wages	151,291	151,453	151,291	151,453
	- Superannuation	14,963	14,963	14,963	14,963
	- Leave and other entitlements	-	-	-	-
	- Separation and redundancies	-	-	-	-
		166,254	166,416	166,254	166,416
	Employee benefit relating to "Other than Holders of Office"				
	- Wages	1,874,720	1,711,860	1,874,720	1,711,860
	- Superannuation	276,651	267,623	276,651	267,623
	- Leave and other entitlements	190,807	153,420	190,807	153,420
	- Separation and redundancies	10,731	106,583	10,731	106,583
	- Other employee expense	190,094	182,864	190,094	182,864
	Total employee benefits	2,543,003	2,422,350	2,543,003	2,422,350
	Total employee benefit	**2,709,257**	**2,588,766**	**2,709,257**	**2,588,766**

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

Grants:				
- Total paid that were $1,000 or less	-	-	-	-
- Total paid that exceeded $1,000	-	-	-	-
	-	-	-	-
Donations:				
- Total paid that were $1,000 or less	3,490	823	3,490	823
- Total paid that exceeded $1,000	77,136	79,582	77,136	79,582
	80,626	80,405	80,626	80,405

Donations paid to the political parties and/or its affiliates:

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

Notes to the financial statements (continued)

For the year ended 30 June 2018

7 PROFIT/(LOSS) FOR THE YEAR (continued)

		Consolidated		Parent	
		2018	*2017*	*2018*	*2017*
		$	*$*	*$*	*$*
(e)	**Levies**				
	Levies imposed	-	-	-	-
(f)	**Members briefing costs**	16,368	18,566	16,368	18,566
(g)	**Legal expense**				
	- litigations	-	-	-	-
	- other legal matters	203,449	35,222	51,408	27,856
		203,449	35,222	51,408	27,856
	Analysis of legal expense:				
	- legal expense paid	182,798	35,222	84,562	27,856
	- legal expense payable	20,651	-	20,651	-
		203,449	35,222	105,213	27,856
(h)	**Affiliation fees**	-	-	-	-
(i)	**Penalties - Fair Works (Registered Organisations) Act 2009**	-	-	-	-
(j)	**Conference and Meeting Expenses**				
	Conference and training expenses	20,782	9,799	20,782	9,799
	Branch Committee meeting expenses	2,228	2,429	2,228	2,429
		23,010	12,228	23,010	12,228

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 2018

8 CASH AND EQUIVALENTS

	Consolidated		*Parent*	
	2018	*2017*	*2018*	*2017*
	$	*$*	*$*	*$*
Cash at bank	1,019,137	2,454,782	631,169	885,135
Term deposits	168,061	268,108	-	-
	1,187,198	2,722,890	631,169	885,135

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 and cash can be withdrawn with 31 days' notice. 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

	2018	*2017*	*2018*	*2017*
	$	*$*	*$*	*$*
Trade receivables	1,341,393	1,313,757	1,315,068	1,295,457
Other receivables	78,248	57,394	68,743	48,869
	1,419,641	1,371,151	1,383,811	1,344,326
Related party receivables	11,349	1,263	28,788	27,557
Less: Provision for Doubtful Debt	-	-	-	-
	11,349	1,263	28,788	27,557
Trade and Other Receivables	**1,430,990**	**1,372,414**	**1,412,599**	**1,371,883**

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.
Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.
For terms and conditions relating to related party receivables refer to Note 19(b)(ii).
At 30 June, the analysis of trade and other receivables that were past due but not impaired is as follows:

	Consolidated		*Parent*	
	2018	*2017*	*2018*	*2017*
	$	*$*	*$*	*$*
Neither past due nor impaired	78,248	57,394	68,743	48,869
Past due but not impaired:				
Current	1,339,006	1,294,286	1,304,384	1,302,280
< 30 days	7,004	11,541	6,963	11,541
30 - 60 days	3,499	-	3,507	-
> 60 days	3,233	9,193	29,002	9,193
	1,352,742	1,315,020	1,343,856	1,323,014
Total trade and other receivables	1,430,990	1,372,414	1,412,599	1,371,883

Notes to the financial statements (continued)

For the year ended 30 June 2018

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 19.

(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*	
	2018	*2017*	*2018*	*2017*
	$	$	$	$
Prepayments	57,955	65,659	46,673	61,697
Accrued income	73,642	388,970	-	69,289
Deferred Rent Assets	101,458	122,781	-	-
	233,055	577,410	46,673	130,986

11 ASSETS AVAILABLE FOR SALE

	Consolidated		*Parent*	
	2018	*2017*	*2018*	*2017*
	$	*$*	*$*	*$*
Australia listed equities	1,603,803	1,318,097	-	-
Global equities	1,288,128	778,118	-	-
Interest bearing securities	1,338,846	1,703,839	-	-
	4,230,777	3,800,054	-	-

The Group held the following available for sale financial instruments measured at fair value:

	Level 1	*Level 2*	*Level 3*
As at 30 June 2018:	*$*	*$*	*$*
Australia listed equities	1,603,803	-	-
Global equities	1,288,128	-	-
Interest bearing securities	1,338,846	-	-
As at 30 June 2017:			
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 2018

12 PROPERTY, PLANT AND EQUIPMENT

	Consolidated		Parent	
	2018	2017	2018	2017
	$	$	$	$
Plant and equipment				
At cost	1,071,189	1,029,084	1,071,189	1,029,084
Accumulated depreciation	(964,832)	(904,058)	(964,832)	(904,058)
Net carrying amount	106,357	125,026	106,357	125,026
Motor vehicles				
At cost	64,714	74,145	64,714	74,145
Accumulated depreciation	(38,482)	(44,617)	(38,482)	(44,617)
Net carrying amount	26,232	29,528	26,232	29,528
Total property, plant and equipment				
At fair value	-	-	-	-
At cost	1,135,903	1,103,229	1,135,903	1,103,229
At cost	1,135,903	1,103,229	1,135,903	1,103,229
Accumulated depreciation	(1,003,314)	(948,675)	(1,003,314)	(948,675)
Net carrying amount	**132,589**	**154,554**	**132,589**	**154,554**

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

	Consolidated		Parent	
	2018	2017	2018	2017
Plant and equipment				
Balance at the beginning of the year				
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**
Additions	82,596	10,324	82,596	10,324
Disposals	(2,733)	-	(2,733)	-
Depreciation charge for the year	(98,530)	(119,356)	(98,530)	(119,356)
Balance at the end of the year - net carrying amount	**106,359**	**125,027**	**106,359**	**125,027**
Motor vehicles				
Balance at the beginning of the year				
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**
Additions	9,800	-	9,800	-
Disposals	(1,948)	(5,457)	(1,948)	(5,457)
Depreciation charge for the year	(11,150)	(11,356)	(11,150)	(11,356)
Balance at the end of the year - net carrying amount	**26,230**	**29,527**	**26,230**	**29,527**

Notes to the financial statements (continued)

For the year ended 30 June 2018

12 PROPERTY, PLANT AND EQUIPMENT (continued)

	Consolidated		Parent	
	2018	2017	2018	2017
	$	$	$	$
Total property, plant and equipment				
Balance at the beginning of the year				
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**
Additions	92,396	10,324	92,396	10,324
Disposals	(4,681)	(5,457)	(4,681)	(5,457)
Depreciation charge for the year	(109,680)	(130,712)	(109,680)	(130,712)
Balance at the end of the year - net carrying amount	**132,589**	**154,554**	**132,589**	**154,554**

13 INVESTMENT PROPERTY

	Consolidated		Parent	
	2018	2017	2018	2017
	$	$	$	$
Opening balance at 1 July	11,700,000	10,250,000	-	-
Additions	107,170	-	-	-
Net gain from fair value adjustments	1,992,830	1,450,000	-	-
Closing balance at 30 June	13,800,000	11,700,000	-	-
Investments in freehold land and buildings	13,800,000	11,700,000	-	-

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

	Valuation technique	Significant unobservable Inputs	Range (weighted average) 2018	2017
Investment properties	DCF method	Estimated office area rental per sqm per month	$ 370	$ 345
		Estimated car space rental per car park bay per month	$ 213	$ 205
		Discount rate	7.25%	7.8%

Notes to the financial statements (continued)

For the year ended 30 June 2018

13 INVESTMENT PROPERTY

(b) The land and building were independently valued at $13,800,000 by M3 Property as at 30 June 2018. 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 $1,992,830 being recognised within the profit and loss for the year ended 30 June 2018 (2017: $1,450,000), 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	
	2018	*2017*
	$	*$*
Investment in associate, FRED IT Group Pty Ltd	4,425,315	4,291,406

The equity interest in FRED IT Group Pty Ltd is 35% (2017: 35%) and has been equity accounted.

Movement during the year in equity accounted investment in associate

	2018	2017
Balance at 1 July	4,291,406	4,168,860
Add: share of associate's profit after income tax post adjustments	133,909	122,546
Less: dividend revenue from associate	-	-
Balance at 30 June	4,425,315	4,291,406

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 2018 (2017: $nil).

Notes to the financial statements (continued)

For the year ended 30 June 2018

14 INVESTMENT ACCOUNTED FOR USING THE EQUITY METHOD (continued)

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

Extract from the associate's statement of financial position

	2018	*2017*
	$	*$*
Current assets	10,258,155	4,310,460
Non-current assets	24,463,763	19,043,649
	34,721,918	23,354,109
Current liabilities	17,923,769	9,064,685
Non-current liabilities	4,697,094	2,806,817
	22,620,863	11,871,502
Net assets	12,101,055	11,482,607
Share of associate's net assets 35% (2017:35%)	4,235,369	4,018,912

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

	2018	*2017*
	$	*$*
Revenue	42,652,416	38,146,909
Net profit after tax	618,447	635,847
Net profit attributable to majority interest	591,102	635,847
Share of associates net profits after tax 35% post adjustments (2017:35%)	133,909	122,546

Notes to the financial statements (continued)

For the year ended 30 June 2018

15 TRADE AND OTHER PAYABLES

	Consolidated		Parent	
	2018	2017	2018	2017
	$	$	$	$
Current				
Trade payables and accruals	466,119	455,508	368,136	401,168
Legal cost payable	25,162	6,109	22,716	-
Unearned revenue	1,177,141	1,077,469	1,175,031	1,077,469
Deferred revenue	1,033,408	1,184,441	1,033,408	1,184,441
Payable to employers for making payroll deductions of membership subscriptions	-	-	-	-
Security deposit held in trust	-	-	-	-
	2,701,830	2,723,527	2,599,291	2,663,078
Related party payables	46,428	42,637	61,281	50,819
	2,748,258	2,766,164	2,660,572	2,713,897
Non-current				
Security deposit held in trust	49,269	49,269	-	-
Related party payables	-	-	600,000	600,000
	49,269	49,269	600,000	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 19(b)(i).
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	
	2018	2017	2018	2017
	$	$	$	$
Current				
Annual leave	151,399	140,818	151,399	140,818
Long service leave	126,214	209,122	126,214	209,122
	277,613	349,940	277,613	349,940
Non-Current				
Long service leave	67,537	50,448	67,537	50,448
	67,537	50,448	67,537	50,448
Total Employee benefit provisions	**345,150**	**400,388**	**345,150**	**400,388**

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 2018

16 EMPLOYEE BENEFIT PROVISIONS

	Consolidated		Parent	
	2018	*2017*	*2018*	*2017*
	$	*$*	*$*	*$*
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	151,399	140,818	151,399	140,818
- Long service leave	193,751	259,570	193,751	259,570
- Separation and redundancies	-	-	-	-
- Other employee provisions	-	-	-	-
Total employee benefit provisions	345,150	400,388	345,150	400,388

No provisions were made for employee benefits relating to Branch Committee (2017: Nil).
No provisions were made for separation and redundancies or other employee provisions (2017: 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 2018

16 EMPLOYEE BENEFIT PROVISIONS (continued)

Amounts not expected to be settled within the next 12 months

	Consolidated		*Parent*	
	2018	*2017*	*2018*	*2017*
	$	*$*	*$*	*$*
Current leave obligations expected to be settled after 12 months	110,159	266,788	110,159	266,778

No provisions were made for:

(i) separation and redundancies or other employee provisions (2017: Nil)
(ii) payables to employers as consideration for the employers making payroll deductions of member subscriptions (2017: Nil)
(iii) payables in respect of legal costs and expenses related to:
  (a) litigation; and
  (b) other legal matters.

17 LOAN TO ASSOCIATE

	Consolidated		*Parent*	
	2018	*2017*	*2018*	*2017*
	$	*$*	*$*	*$*
Loan to associate	1,000,000	-	-	-

The loan to associate is unsecured and bears an interest at the Bank Bill Swap Rate plus 4% margin. The loan repayment term is three years.

Notes to the financial statements (continued)

For the year ended 30 June 2018

18 STATEMENT OF CASH FLOW RECONCILIATION

	Consolidated		*Parent*	
	2018	*2017*	*2018*	*2017*
	$	*$*	*$*	*$*
Reconciliation of net profit for the year to net cash used in operations				
Profit/(loss) for the year	1,766,890	1,474,347	(223,400)	24,187
Adjustment for:				
Depreciation	109,680	130,712	109,680	130,712
Gain on revaluation of investment property	(1,992,830)	(1,450,000)	-	-
Gain on sale of fixed assets	(3,509)	(452)	(3,509)	(452)
Assets written off	2,734	-	2,734	-
Distribution income from The Guild (Victoria) Computer Unit Trust	-	-	(309,430)	(302,913)
Distribution income from The Guild Properties (Victoria) Unit Trust	-	-	(100,223)	(317,755)
Interest paid classified as financing cash flow	-	-	24,000	10,586
Dividend income classified as investing cash flow	(196,167)	(183,996)	-	-
(Gain)/loss on divestment of other investments	(107,509)	(90,046)	-	-
Impairment loss	-	24,580	-	-
Share of profit from joint venture entity	(89,377)	(122,546)	-	-
Changes in assets and liabilities				
Decrease/(increase) in trade and other receivables	(58,576)	(316,985)	(40,716)	(150,751)
Decrease/(increase) in other assets	344,355	(102,544)	84,313	(20,985)
(Decrease)/Increase in trade and other payables	(17,907)	(275,042)	(53,327)	(230,210)
(Decrease)/increase in employee benefit liabilities	(55,238)	(77,388)	(55,238)	(77,388)
Increase in other liabilities	-	15,741	-	-
Net cash flows (used in)/from operating activities	(297,454)	(973,619)	(565,116)	(934,969)

	Consolidated		*Parent*	
	2018	*2017*	*2018*	*2017*
	$	*$*	*$*	*$*
Cash flow information				
Cash inflows	6,985,735	5,664,256	4,881,874	4,464,071
Cash outflows	(8,521,427)	(5,605,850)	(5,135,840)	(4,852,627)

Notes to the financial statements (continued)
For the year ended 30 June 2018

18 STATEMENT OF CASH FLOW RECONCILIATION (continued)

	2018 $	*2017* $
Cash flow information related to controlled entities		
Cash inflows		
The Guild (Victoria) Computer Unit Trust	460,800	685,800
The Guild Properties (Victoria) Unit Trust	318,875	257,016
Care Energy Australia Pty Ltd	-	-
Cash Outflows		
The Guild (Victoria) Computer Unit Trust	(24,000)	(10,586)
The Guild Properties (Victoria) Unit Trust	(307,925)	(286,249)

19 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. K. Chong	Vice President – Finance
Ms. G. Chong	Vice President
Mr. G. Tambassis	National President
Mr. B. Robertson	Branch Committee
Mr. A. Pricolo	Branch Committee
Mr. V. Kapadia	Branch Committee
Mr. P. Krassaris	Branch Committee
Ms. C. Streeter	Branch Committee (Appointed on 3rd October 2017)
Ms. M. Tsitonakis	Branch Committee (Appointed on 3rd October 2017)
Mr. N. Mitri	Branch Committee (Appointed on 9th February 2018)
Mr. G. Brooke	Branch Committee (Appointed on 9th February 2018)
Mr. W J Scott	Ceased on 3rd October 2017
Mr. S. Hall	Ceased on 3rd October 2017
Mr. V. Naidu	Ceased on 3rd October 2017

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 2018

19 RELATED PARTIES DISCLOSURE (continued)

	Consolidated		Parent	
	2018	2017	2018	2017
	$	$	$	$
(b) Balances with related parties				
(i) Amount payable to related parties:				
Amount included in trade and other payable - Note 15				
Current				
The Pharmacy Guild of Australia (National Secretariat)	(46,428)	(42,637)	(46,428)	(42,637)
The Guild Properties (Victoria) Unit Trust	-	-	(14,853)	(8,182)
	(46,428)	(42,637)	(61,281)	(50,819)
Non-Current				
Pharmacy Computers Australia Pty Ltd	-	-	(600,000)	(600,000)
	(46,428)	(42,637)	(661,281)	(650,819)
(ii) **Amount receivable from related parties:**				
The Pharmacy Guild of Australia (National Secretariat)	3,155	1,263	2,347	1,263
The Pharmacy Guild of Australia (QLD)	747	-	747	-
The Guild Properties (Victoria) Unit Trust	-	-	-	263
Care Energy Australia Pty Ltd	-	-	25,694	26,031
FRED IT Group Pty Ltd	7,447	-	-	-
	11,349	1,263	28,788	27,557
Present Entitlement receivable from :				
The Guild (Vic) Computer Unit Trust	-	-	4,343,490	4,409,058
The Guild Properties (Victoria) Unit Trust	-	-	638,438	538,215
	-	-	4,981,928	4,947,273

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		Parent	
	2018	2017	2018	2017
	$	$	$	$
The Pharmacy Guild of Australia National Secretariat				
(i) Funding for Business Support Services	755,710	941,244	755,480	941,244
(ii) Rental received by Victoria Branch	57,396	97,840	39,552	97,840
(iii) Wage Recovery	-	26,265	-	26,265
(iv) Balancing payment	69,000	-	69,000	-
(v) Membership acquisition & retention	-	15,000	-	15,000
(vi) Committee Attendance Fee	1,200	5,400	1,200	5,400
(vii) Other reimbursable expenses	70,930	3,738	31,608	3,738
	954,236	1,089,487	896,840	1,089,487

Notes to the financial statements (continued)

For the year ended 30 June 2018

19 RELATED PARTIES DISCLOSURE (continued)

(c) Transactions with related parties

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

		Consolidated		Parent	
		2018	*2017*	*2018*	*2017*
		$	*$*	*$*	*$*
The Pharmacy Guild of Australia National Secretariat (continued)					
(viii)	Membership contributions paid by Victorian Branch *Terms: 40% (2017 :58%) of gross membership fees received.*	(803,142)	(1,280,884)	(803,142)	(1,280,884)
(ix)	Development of Community Pharmacy qualifications	(17,440)	-	(17,440)	-
(x)	Support fees for maintenance of national membership database	(24,911)	(26,595)	(24,911)	(26,595)
(xi)	Share of annual e-Learning licence fees	(10,530)	(6,239)	(10,530)	(6,239)
(xii)	Immunization & Vaccination Module Development Fee	(3,370)	-	(3,370)	-
(xiii)	Immunization & Vaccination Module Delivery fees	(3,198)	-	(3,198)	-
(xiv)	Other reimbursable expenses	(1,908)	-	(1,908)	-
		(864,499)	(1,313,718)	(864,499)	(1,313,718)
The Pharmacy Guild of Australia (NSW)					
(i)	Commission Income received by Victoria Branch	5,761	6,063	5,761	6,063
The Pharmacy Guild of Australia (WA)					
(i)	Share of development costs for Members Mobile Application	4,535	28,450	4,535	28,450
The Pharmacy Guild of Australia (QLD)					
(i)	Commission for APP Conference sale	-	1,631	-	1,631
(ii)	Fees for conducting Interns workshop	3,593	-	3,593	-
(iii)	Reimbursable expenses for PATY Workshop	1,992	2,596	1,992	2,596
(iv)	Guild News advertising fees	1,500	500	1,500	500
(v)	Other reimbursable expenses	679	-	679	-
		7,764	4,727	7,764	4,727

Notes to the financial statements (continued)

For the year ended 30 June 2018

19 RELATED PARTIES DISCLOSURE (continued)

(c) Transactions with related parties (continued)

		Consolidated		*Parent*	
		2018	*2017*	*2018*	*2017*
		$	*$*	*$*	*$*
The Pharmacy Guild of Australia (TAS)					
(i)	Reimbursement of Governance training expenses	2,660	-	2,660	-
(ii)	Reimbursement of travelling expense to Pharmacy Guild of Australia, Tasmania Branch	-	132	-	132
		2,660	132	2,660	132
Other related parties					
Pharmacy Computers Australia Pty Ltd					
(i)	Management Fee paid to Victorian Branch	-	-	85,800	85,800
(ii)	Loan to Victorian Branch	-	-	-	600,000
(iii)	Loan to associate	1,000,000	-	-	-
(iv)	Loan interest paid by Victorian Branch	-	-	(24,000)	(10,586)
(v)	Loan interest to Associate	7,754	-	-	-
		1,007,754	-	61,800	675,214

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

The loan provided by Pharmacy Computers Australia Pty Ltd to FRED IT Group Pty Ltd bears interest rate at bank bill swap rate plus 4.0% margin and is payable within three years.

Associates of Pharmacy Computers Australia Pty Ltd					
	FRED IT Group Pty Ltd				
(i)	Loan interest from $1.0 million loan released to assist in progression of projects	7,754	-	-	-
(ii)	Sponsorship for Victoria Branch's charity dinner	5,000	5,000	5,000	5,000
(iii)	Sponsorship for FRED IT Group Pty Ltd's 25th year anniversary	(2,500)	-	(2,500)	-
		10,254	5,000	5,000	5,000

Notes to the financial statements (continued)

For the year ended 30 June 2018

19 RELATED PARTIES DISCLOSURE (continued)

(c) Transactions with related parties (continued)

	Consolidated 2018 $	Consolidated 2017 $	Parent 2018 $	Parent 2017 $
Guild Properties (Victoria) Unit Trust				
(i) Management Fees paid to Victorian Branch	-	-	99,600	99,600
(ii) Building refurbishment costs repaid to Victorian Branch	-	-	-	157,416
(iii) Office rental paid by Victorian Branch	-	-	(221,336)	(235,224)
(iv) Building outgoings costs & maintenance paid by Victoria Branch	-	-	(66,717)	(57,078)
Term: Normal commercial term	-	-	(188,453)	(35,286)
Care Energy Australia Pty Ltd				
(i) Management Fees received by Victorian Branch			-	-
Term: Normal commercial term	-	-	-	-
Subsidiaries of the Pharmacy Guild of Australia: Gold Cross Products and Services Pty Ltd				
(i) Commission received for distribution of its material *Terms: Base on membership % applied to gross division income*	-	101,038	-	101,038
Guild Insurance Ltd				
(i) Commission income for business referred from Victorian Branch members *Terms: Percentage of business received, calculated on normal commercial term.*	-	265,576	-	265,576
(ii) Sponsorship for charity dinner	1,591	5,000	1,591	5,000
(iii) Reimbursable expense for members briefing	150	-	150	-
(iv) Vehicle insurance premium for Victoria Branch	(12,869)	(13,109)	(12,869)	(13,109)
	(11,128)	257,467	(11,128)	257,467
Guild Group Holding Ltd				
(i) Group insurance premium for Victoria Branch	(27,990)	(23,571)	(27,990)	(23,571)
Guild Link Pty Ltd				
(i) Guild News Advertising	3,620	-	3,620	-
Subsidiaries of Gold Cross Products and Services Pty Ltd				
Domain fees received from:				
Phramadotcom Pty Ltd	10,400	11,590	10,400	11,590

Notes to the financial statements (continued)

For the year ended 30 June 2018

19 RELATED PARTIES DISCLOSURE (continued)

(d) Cash flow movement with related parties

		Consolidated		Parent	
		2018	*2017*	*2018*	*2017*
		$	*$*	*$*	*$*
	Cash flow movements with related parties				
(i)	*Receipts from related parties*				
	The Pharmacy Guild of Australia (National Secretariat)	1,047,824	1,089,487	985,497	1,089,487
	The Pharmacy Guild of Australia (NSW)	13,273	6,063	13,273	6,063
	The Pharmacy Guild of Australia (QLD)	7,788	4,228	7,788	4,228
	The Pharmacy Guild of Australia (TAS)	2,926	132	2,926	132
	The Pharmacy Guild of Australia (WA)	4,535	28,450	4,535	28,450
	Gold Cross Products and Services Pty Ltd	30,831	101,038	30,831	101,038
	Guild Insurance Ltd	40,366	260,411	40,366	260,411
	Pharmacy Computers Australia Pty Ltd	460,800	685,800	460,800	685,800
	The Guild Properties (Victoria) Unit Trust	318,875	257,016	318,875	257,016
	Pharmadotcom Pty Ltd	11,440	11,590	11,440	11,590
	Guild Link Pty Ltd	3,982	-	3,982	-
	FRED IT Group Pty Ltd	5,500	-	5,500	-
		1,948,140	2,444,215	1,885,813	2,444,215
(ii)	*Payments to related parties*				
	The Pharmacy Guild of Australia (National Secretariat)	943,367	1,295,821	943,367	1,295,821
	Guild Insurance Ltd	15,446	34,633	15,446	34,633
	Guild Group Holding Ltd	37,203	-	37,203	-
	Pharmacy Computers Australia Pty Ltd	24,000	10,586	24,000	10,586
	The Guild Properties (Victoria) Unit Trust	307,925	286,249	307,925	286,249
	FRED IT Group Pty Ltd	2,750	-	2,750	
		1,330,691	1,627,289	1,330,691	1,627,289

20 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.

Notes to the financial statements (continued)

For the year ended 30 June 2018

20 KEY MANAGEMENT PERSONNEL COMPENSATION (continued)

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

	Consolidated		*Parent*	
	2018	*2017*	*2018*	*2017*
	$	*$*	*$*	*$*
Wages and salaries	415,819	393,961	415,819	393,961
Superannuation	41,916	39,428	41,916	39,428
Leave & other entitlements	26,682	24,219	26,682	24,219
Separation & redundancies	-	-	-	-
Branch Committee allowances	3,000	3,000	3,000	3,000
	487,417	460,608	487,417	460,608

There were no loans to/from key management personnel.

21 EVENTS AFTER THE REPORTING PERIOD

There were no events that occurred after 30 June 2018 and prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the group.

22 RESERVES

	Consolidated		
	Income reserve - capital gain	Available for sale reserve	Total
	$	*$*	*$*
At 1 July 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
Net fair value gain in assets available for sale	-	35,829	35,829
At 30 June 2018	5,893,106	220,062	6,113,168

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. . The reserve can only be used to pay dividends in limited circumstances.

Notes to the financial statements (continued)

For the year ended 30 June 2018

23 CONTROLLED ENTITIES CONSOLIDATED

Subsidiaries or associated entities of The Pharmacy Guild of Australia, Victoria	Country of incorporation	Percentage Owned (%) 2018	2017
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 (%) 2018	2017
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.

24 CAPITAL AND LEASING COMMITMENTS

(a) Operating lease commitments – as lessee

The Group has entered into operating lease on certain motor vehicles with lease terms of three years. The Branch has the option to lease the assets for additional terms of three years for certain leased motor vehicles.

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

	Consolidated		*Parent*	
	2018	*2017*	*2018*	*2017*
	$	*$*	*$*	*$*
Within one year	50,926	33,868	50,926	33,868
After one year but not more than five years	27,502	53,351	27,502	53,351
Total minimum lease payments	78,428	87,219	78,428	87,219

(b) Operating lease commitments -as lessor

The Group has entered into operating leases on its investment property consisting of certain office building. These leases have terms between 3 to 5 years. All leases include a clause to enable upward revision of the rental charge on an annual basis ranging from Consumer Price Index adjustment to fixed increase rate of 3% to 3.5%.

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

	Consolidated		*Parent*	
	2018	*2017*	*2018*	*2017*
	$	*$*	*$*	*$*
Within one year	460,705	487,776	-	-
After one year but not more than five years	629,248	729,728	-	-
Total minimum lease income	1,089,953	1,217,504	-	-

Notes to the financial statements (continued)

For the year ended 30 June 2018

24 CAPITAL AND LEASING COMMITMENTS (continued)

(b) Capital commitments

There were no capital commitments as at 30 June 2018 (30 June 2017: Nil).

25 AUDITOR'S REMUNERATIONS

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

	2018 *$*	*2017* *$*
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	46,500	45,940

26 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 (2017: Nil).

Notes to the financial statements (continued)

For the year ended 30 June 2018

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

(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 2018.

(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.

27 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).

Report required under Subsection 255(2A)

For the year ended 30 June 2018

The Committee of Management presents the expenditure report as required under subsection 255(2A) for the year ended 30 June 2018.

	Consolidated		*Parent*	
	2018	*2017*	*2018*	*2017*
	$	*$*	*$*	*$*
Category of Expenses				
Remuneration and other employment-related costs and expenses - employees	2,709,257	2,588,766	2,709,257	2,588,766
Advertising	71	3,193	71	-
Operating costs	1,229,134	948,636	1,066,809	939,788
Donations to political parties	80,626	80,405	80,626	80,405
Legal costs	203,449	35,222	105,213	27,856
	4,222,537	3,656,222	3,961,976	3,636,815

ANTHONY TASSONE
Branch President

NGAI KEY CHONG
Vice President - Finance

27 August 2018

Operating report
For the year ended 30 June 2018

We, being the designated officers responsible for preparing this report for the financial year ended 30 June 2018 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 2018 the number of members of The Pharmacy Guild of Australia, Victoria was 877 including Honorary Life & 50 Year Life Members.

(f) Number of employees

As at 30 June 2018 the number of equivalent full-time employees of The Pharmacy Guild of Australia, Victoria was 28.

(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:

Operating report (continued)

For the year ended 30 June 2018

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

Mr. A Tassone	Branch president
Mr. K. Chong	Vice President – Finance
Ms. G. Chong	Vice President
Mr. G. Tambassis	National President
Mr. B. Robertson	Branch Committee
Mr. A. Pricolo	Branch Committee
Mr. V. Kapadia	Branch Committee
Mr. P. Krassaris	Branch Committee
Ms. C. Streeter	Branch Committee (Appointed on 3rd October 2017)
Ms. M. Tsitonakis	Branch Committee (Appointed on 3rd October 2017)
Mr. N. Mitri	Branch Committee (Appointed on 9th February 2018)
Mr. G. Brooke	Branch Committee (Appointed on 9th February 2018)
Mr. W J Scott	Ceased on 3rd October 2017
Mr. S. Hall	Ceased on 3rd October 2017
Mr. V. Naidu	Ceased on 3rd October 2017

(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

NGAI KIN CHONG
Vice President - Finance

27 August 2018

Committee of management statement

For the year ended 30 June 2018

On 27 August 2018, 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 2018.

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 2018;

(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 2018.

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

ANTHONY TASSONE
Branch President

NGAI KIN CHONG
Vice President - Finance

27 August 2018

Officer Declaration Statement

I, Anthony Tassone, being the Branch President of the Pharmacy Guild of Australia, Victoria, declare that the following activities did not occur during the reporting period ending 30 June 2018.

Pharmacy Guild of Australia, Victoria, did not:

- agree to provide financial support to another reporting unit to ensure they continue as a going concern (refers to agreement regarding financial support not dollar amount)
- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- have another entity administer the financial affairs of the reporting unit
- make a payment to a former related party of the reporting unit

ANTHONY TASSONE
Branch President

27 August 2018

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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 2018, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended 30 June 2018, notes to the financial statements, including a summary of significant accounting policies; the Committee of Management Statement, the subsection 255(2A) report and the Officer Declaration 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 2018, 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.

- 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 Richard Bembridge 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

R Bembridge

Richard Bembridge
Partner
Melbourne
27 August 2018
Registration number (as registered by the RO Commissioner under the RO Act): AA2017/244