



16 October 2020

Anthony Tassone
President, Victoria Branch
The Pharmacy Guild of Australia

Dear Anthony Tassone

Re: – Financial reporting – The Pharmacy Guild of Australia, Victoria Branch – for year ending 30 June 2020 (FR2020/172)

I refer to the financial report of the Victoria Branch of the Pharmacy Guild of Australia, in respect of the year ending 30 June 2020. The documents were lodged with the Registered Organisations Commission ('the ROC') on 30 September 2020.

The financial report has been filed. The financial report was filed based on a primary review. This involved confirming whether the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009* (RO Act) have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements. Please note the report for year ending 30 June 2021 may be subject to an advanced compliance review.

You are not required to take any further action in respect of the report lodged. I make the following comments to assist when preparing the next report.

AASB 15 - Disaggregation of revenue from contracts with customers

Australian Accounting Standard AASB 15 *Revenue from Contracts with Customers* paragraph 114 requires an entity to disaggregate revenue from contracts with customers into categories that depict how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors, as applicable.¹

AASB 1058 - Disaggregation of income of not-for-profit entities

Australian Accounting Standard AASB 1058 *Income of Not-for-Profit Entities* paragraph 26 requires an entity to disclose income recognised during the period, disaggregated into categories that reflect how the nature and amount of income are affected by economic factors based on the following categories, as applicable:

- a. grants, bequests and donations of cash, other financial assets and goods;
- b. recognised volunteer services; and
- c. for government departments and other public sector entities, appropriation amounts recognised as income, by class of appropriation.

¹ see AASB 15 paragraphs B87, B89

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.¹ 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](#).

Yours faithfully

A handwritten signature in black ink that reads "Stephen Kellett". The signature is written in a cursive style with a long horizontal stroke extending to the right.

Stephen Kellett
Financial Reporting
Registered Organisations Commission



**CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER
For the Financial Year Ended 30 June 2020**

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 2020 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 2020 were made available to members free of charge on 04 September 2020; and
3. The full report was presented at the Annual General Meeting of the Pharmacy Guild of Australia, Victoria Branch on 29th September 2020 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

President
The Pharmacy Guild of Australia, Victoria

Date: 30 September 2020

Victoria

'Guild House' Level 2, 40 Burwood Road Hawthorn VIC 3122
telephone: + 61 3 9810 9999 · **facsimile:** + 61 3 9819 2542
e-mail: info@vic.guild.org.au · **internet:** www.guild.org.au/vic



Pharmacy Guild of Australia, Victoria

ABN: 35 603 508 734

Consolidated Financial report

For the year ended 30 June 2020

Pitcher Partners

Level 13, 664 Collins Street, Docklands VIC 3008

p: +61 3 8610 5000

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PHARMACY GUILD OF AUSTRALIA, VICTORIA
ABN: 35 603 508 734

OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2020

We, being the designated officers responsible for preparing this report for the financial year ended 30 June 2020 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 Commissioner of the Registered Organisations Commission's rights to certain prescribed information. This information is detailed in Note 5 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 members 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 2020 the number of members of The Pharmacy Guild of Australia, Victoria was 895 including Honorary Life & 50 Year Life Members.

(f) Number of employees

As at 30 June 2020 the number of equivalent full-time employees of The Pharmacy Guild of Australia, Victoria was 20.

PHARMACY GUILD OF AUSTRALIA, VICTORIA
ABN: 35 603 508 734

OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2020

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

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

Mr. A Tassone	Branch president
Mr.K. Chong	Vice President - Finance
Ms.G.Chong	Vice President
Mr. A Pricolo	Vice President
Mr. P. Krassaris	Branch Committee
Mr. G. Tambassis	National President
Mr. B. Robertson	Branch Committee
Mr. V. Kapadia	Branch Committee
Ms. C. Streeter	Branch Committee
Ms. M. Tsitonakis	Branch Committee
Mr. G. Brooks	Branch Committee
Mr. S. Wilkes	Branch Committee

(h) Insurance of Officers

During the financial year, The Pharmacy Guild of Australia, Victoria paid insurance to cover all officers of The Pharmacy Guild of Australia, Victoria. The officers of The Pharmacy Guild of Australia, Victoria covered by the insurance policy include all the Committee of Management. Other officers covered by the contract are the management of The Pharmacy Guild of Australia, Victoria. The liabilities insured include costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of The Pharmacy Guild of Australia, Victoria.



ANTHONY TASSONE
Branch President

1 September 2020



NGAI KIN CHONG
Vice President - Finance

PHARMACY GUILD OF AUSTRALIA, VICTORIA
ABN: 35 603 508 734

AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF THE PHARMACY GUILD OF AUSTRALIA, VICTORIA

In relation to the independent audit for the year ended 30 June 2020, to the best of my knowledge and belief, there have been no contraventions of APES 110 *Code of Ethics for Professional Accountants* (including *Independence Standards*).

This declaration is in respect of The Pharmacy Guild of Australia, Victoria and the entities it controlled during the year.



D A KNOWLES

Partner



PITCHER PARTNERS

Melbourne

Date: 1 September 2020

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020

	Note	Consolidated		Parent	
		2020 \$	2019 \$	2020 \$	2019 \$
INCOME					
Revenue	4	4,408,731	4,572,304	4,223,073	4,398,714
(Loss)/Gain on divestment of investment	4	24,068	(20,375)	-	-
Gain on revaluation of investment property	4	-	194,422	-	-
Unrealised (loss)/gain from Financial Assets at fair value through profit or loss	4	(131,431)	222,621	-	-
Other Income	4	438,102	195,533	446,600	527,549
		<u>4,739,470</u>	<u>5,164,505</u>	<u>4,669,673</u>	<u>4,926,263</u>
PROJECT PAYMENTS AND OTHER EXPENSES					
Administration		380,777	433,092	627,631	675,773
Management fees		7,800	7,800	-	-
Building outgoings		338,120	296,862	112,970	96,366
Committee fees and allowances	5	5,595	9,328	5,595	9,328
Depreciation		65,501	57,417	65,501	57,417
Employee benefit expenses	5	2,516,247	2,696,934	2,516,247	2,696,934
Legal and professional fees		180,060	232,535	129,418	169,427
Membership contributions to National Council	5	822,253	800,674	822,253	800,674
Expected credit loss		(5,000)	4,000	(5,000)	4,000
Public relations		14,629	383,812	14,629	383,812
Travelling expenses		96,605	108,740	96,605	108,740
Minimum lease payments - operating lease		-	11,881	-	11,881
Assets written off		28	-	28	-
		<u>4,422,615</u>	<u>5,043,075</u>	<u>4,385,877</u>	<u>5,014,352</u>
Share of loss from associate	13	(253,355)	(17,618)	-	-
PROFIT/(LOSS) BEFORE INCOME TAX		63,500	103,812	283,796	(88,089)
Income tax expense		-	-	-	-
PROFIT/(LOSS) FOR THE PERIOD/YEAR		63,500	103,812	283,796	(88,089)

The accompanying notes form part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
 FOR THE YEAR ENDED 30 JUNE 2020

	Consolidated		Parent	
	2020	2019	2020	2019
	\$	\$	\$	\$
OTHER COMPREHENSIVE INCOME FOR THE YEAR	63,500	103,812	283,796	(88,089)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR	63,500	103,812	283,796	(88,089)
Profit/(loss) attributable to:				
Members of the parent entity	63,500	103,812	283,796	(88,089)
	63,500	103,812	283,796	(88,089)
Other comprehensive income attributable to:				
Members of the parent entity	-	-	-	-
	-	-	-	-
Total comprehensive income attributable to:				
Members of the parent entity	63,500	103,812	283,796	(88,089)
	63,500	103,812	283,796	(88,089)

The accompanying notes form part of these financial statements.

STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	Note	Consolidated		Parent	
		2020 \$	2019 \$	2020 \$	2019 \$
CURRENT ASSETS					
Cash and cash equivalents	6	1,689,471	1,672,604	659,164	861,964
Trade and other receivables	7	333,939	149,464	305,309	111,898
Other assets	8	192,237	200,028	40,494	30,558
		<u>2,215,647</u>	<u>2,022,096</u>	<u>1,004,967</u>	<u>1,004,420</u>
Financial Assets at FVTPL	9	3,273,540	3,939,693	-	-
TOTAL CURRENT ASSETS		<u>5,489,187</u>	<u>5,961,789</u>	<u>1,004,967</u>	<u>1,004,420</u>
NON-CURRENT ASSETS					
Investment in subsidiary		-	-	175,002	175,002
Property, plant and equipment	10	77,666	120,254	77,666	120,254
Right- of-use assets	11	14,558	-	14,558	-
Investment property	12	14,000,000	14,000,000	-	-
Investment in Associate	13	4,154,342	4,407,697	-	-
Investment in The Guild Properties (Vic) Unit Trust		-	-	8,852,714	8,852,714
Loan to Associate	14	1,610,000	1,000,000	-	-
Present entitlement receivable from					
The Guild (Vic) Computer Unit Trust	19	-	-	4,452,257	4,452,257
The Guild Properties (Vic) Unit Trust	19	-	-	859,138	768,281
TOTAL NON-CURRENT ASSETS		<u>19,856,566</u>	<u>19,527,951</u>	<u>14,431,335</u>	<u>14,368,508</u>
TOTAL ASSETS		<u>25,345,753</u>	<u>25,489,740</u>	<u>15,436,302</u>	<u>15,372,928</u>
CURRENT LIABILITIES					
Trade and other payables	15	1,416,528	1,713,707	1,333,653	2,243,767
Lease liability	11	15,617	-	15,617	-
Employee benefit provisions	16	270,380	225,435	270,380	225,435
TOTAL CURRENT LIABILITIES		<u>1,702,525</u>	<u>1,939,142</u>	<u>1,619,650</u>	<u>2,469,202</u>

The accompanying notes form part of these financial statements.

STATEMENTS OF FINANCIAL POSITION
 AS AT 30 JUNE 2020

	Note	Consolidated		Parent	
		2020	2019	2020	2019
		\$	\$	\$	\$
NON-CURRENT LIABILITIES					
Security deposit held in trust	15	49,269	49,269	-	-
Related party payable	15	-	-	600,000	-
Employee benefit provisions	16	134,628	104,269	134,628	104,269
TOTAL NON-CURRENT LIABILITIES		183,897	153,538	734,628	104,269
TOTAL LIABILITIES		1,886,422	2,092,680	2,354,278	2,573,471
NET ASSETS		23,459,331	23,397,060	13,082,024	12,799,457
EQUITY					
Accumulated funds		17,566,225	17,503,954	9,297,944	9,015,377
Reserves	17	5,893,106	5,893,106	3,784,080	3,784,080
TOTAL EQUITY		23,459,331	23,397,060	13,082,024	12,799,457

The accompanying notes form part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020

	Reserves (Note 17) \$	Accumulated funds \$	Total \$
<i>CONSOLIDATED</i>			
At 1 July 2018	6,113,168	17,184,080	23,297,248
Profit for the year	-	103,812	103,812
Other comprehensive income	-	-	-
Effect of AASB 9 Financial Instruments	(220,062)	216,062	(4,000)
At 30 June 2019	5,893,106	17,503,954	23,397,060
As at 1 July 2019 (as reported)	5,893,106	17,503,954	23,397,060
Effect of AASB 16 Leases	-	(1,229)	(1,229)
Balance as at 1 July 2019 (restated)	5,893,106	17,502,725	23,395,831
Profit for the year	-	63,500	63,500
Other comprehensive income	-	-	-
At 30 June 2020	5,893,106	17,566,225	23,459,331
	Revaluation reserves \$	Accumulated funds \$	Total \$
<i>PARENT</i>			
At 1 July 2018	3,784,080	8,887,404	12,671,484
Loss for the year	-	(88,089)	(88,089)
Other comprehensive income	-	-	-
Effect of AASB 9 Financial Instruments	-	216,062	216,062
At 30 June 2019	3,784,080	9,015,377	12,799,457
As at 1 July 2019 (as reported)	3,784,080	9,015,377	12,799,457
Effect of AASB 16 Leases	-	(1,229)	(1,229)
Balance as at 1 July 2019 (restated)	3,784,080	9,014,148	12,798,228
Profit/(Loss) for the year	-	283,796	283,796
Other comprehensive income	-	-	-
At 30 June 2020	3,784,080	9,297,944	13,082,024

The Pharmacy Guild of Australia, Victoria does not operate a fund for voluntary levies or voluntary contributions. Consequently, The Pharmacy Guild of Australia, Victoria has not invested any voluntary funds in any years.

The accompanying notes form part of these financial statements.

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020

Note	Consolidated		Parent	
	2020 \$	2019 \$	2020 \$	2019 \$
OPERATING ACTIVITIES				
Receipts in the course of operations:				
- reporting units and/or controlled entity	1,116,146	1,421,535	1,133,129	1,474,803
- members and customers	3,337,249	3,670,423	2,654,107	2,971,911
- Jobkeeper Payment	219,000	-	219,000	-
- Cash Flow Boost	50,000	-	50,000	-
Payments in the course of operations:				
- reporting units and/or controlled entity	(978,701)	(931,106)	(1,324,714)	(1,279,137)
- suppliers	(1,073,007)	(1,519,309)	(645,674)	(1,056,555)
- employees	(2,484,034)	(2,659,181)	(2,484,034)	(2,659,181)
Interest received	86,221	97,540	4,312	6,932
Payroll Tax Refund	76,916	-	76,916	-
Fringe Benefit Tax paid	(49,825)	(55,791)	(49,825)	(55,791)
Net GST paid to Australian Taxation Office	(377,875)	(176,908)	(357,242)	(108,882)
Net cash flows used in operating activities	18 (77,910)	(152,797)	(724,025)	(705,900)
INVESTING ACTIVITIES				
Distribution from related parties	-	-	570,000	1,000,000
Loan to Associate	(610,000)	-	-	-
Purchase of plant and equipment	(5,476)	(55,577)	(5,476)	(55,577)
Proceeds on sale of plant and equipment	-	16,272	-	16,272
Proceeds on sale of investments	675,271	1,823,786	-	-
Additions to investment property	-	(5,578)	-	-
Purchase of financial assets investments	(116,484)	(1,330,457)	-	-
Dividends received from investment in equities	169,102	189,757	-	-
Net cash flows from investing activities	112,413	638,203	564,524	960,695

The accompanying notes form part of these financial statements.

STATEMENTS OF CASH FLOWS
 FOR THE YEAR ENDED 30 JUNE 2020

	Note	Consolidated		Parent	
		2020	2019	2020	2019
		\$	\$	\$	\$
FINANCING ACTIVITIES					
Interest paid		-	-	(25,663)	(24,000)
Payment of Lease principal		(17,636)	-	(17,636)	-
Net cash flows from financing activities		(17,636)	-	(43,299)	(24,000)
Net (decrease)/increase in cash and cash equivalents		16,867	485,406	(202,800)	230,795
Cash and cash equivalents at beginning of the year		1,672,604	1,187,198	861,964	631,169
Cash and cash equivalents at end of the year	6	1,689,471	1,672,604	659,164	861,964

The accompanying notes form part of these financial statements.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 1 CORPORATE INFORMATION

The Pharmacy Guild of Australia, Victoria is the Victorian branch of an employers' organization (the 'Branch', the "Guild" 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 are 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.

These financial statements and notes represent those of The Pharmacy Guild of Australia, Victoria and Controlled Entities (the "consolidated group" or "Group").

The financial report was authorised for issue on 1 September 2020 by the Branch Executive of the Group.

NOTE 2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation of the financial report

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Interpretations and other applicable authoritative pronouncements of the Australian Accounting Standards Board (AASB) that apply for the reporting period, and the Fair Work (Registered Organisation) Act 2009.

The financial report covers The Pharmacy Guild of Australia, Victoria (the 'Branch') as an individual entity and its controlled entities (the 'Group'). The Pharmacy Guild of Australia, Victoria is a not for profit entity for the purpose of preparing the general purpose financial statements.

The following are the significant accounting policies adopted by the group in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation of the financial report (continued)

Compliance with IFRS

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

Historical Cost Convention

The financial report has been prepared on an accrual basis and in accordance with the historical cost convention, as modified by revaluations to fair value for certain classes of assets and liabilities as described in the accounting policies. 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.

2.2 New and revised accounting standards effective at 30 June 2020

The Group has applied all new and revised Australian Accounting Standards that apply to annual reporting periods beginning on or after 1 July 2019, including:

- AASB 1058 Income of Not for Profit Entities (AASB 1058) and AASB 15: Revenue from Contracts with Customers (AASB 15)
- AASB 16 Leases (AASB 16).

AASB 1058: Income for not for profit entities and AASB 15: Revenue from contracts with customers

AASB 15 Revenue from Contracts with Customers supersedes AASB 111 Construction Contracts, AASB 118 Revenue and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with its customers.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 New and revised accounting standards effective at 30 June 2020 (continued)

AASB 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. AASB 15 also includes implementation guidance to assist not-for-profit entities to determine whether particular transactions, or components thereof, are contracts with customers. If a transaction is outside the scope of AASB 15, the recognition and measurement of income arising from the transaction may instead be specified by another Standard, for example AASB 1058 Income of Not-for-Profit Entities.

AASB 1058 replaces the income recognition requirements in AASB 1004: Contributions applicable to private sector not for profit entities with a model based on the principles of AASB 15: Revenue from Contracts with Customers. AASB 1058 provides a more comprehensive model for accounting for income of not-for-profit entities and specifies that:

- the timing of revenue or income recognition will depend on whether a performance obligation is identified or a liability is recognised;
- not-for-profit lessees can elect to recognise assets, including leases provided at significantly less than fair value, at their fair value; and
- all not-for-profit entities can elect to recognise volunteer services at fair value if the fair value of those services can be reliably measured.

The Branch adopted AASB 15 and AASB 1058 using the modified retrospective method of adoption, with the date of initial application of 1 July 2019. The adoption of AASB 15 and AASB 1058 did not have a material impact on the Branch's financial statements.

AASB 16: Leases

AASB 16 replaces AASB 117 Leases, Interpretation 4 Determining whether an Arrangement contains a Lease, Interpretation 115 Operating Leases—Incentives and Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under AASB 16 is substantially unchanged from AASB 117. Lessors will continue to classify leases as either operating or finance leases using similar principles as in AASB 117. Therefore, AASB 16 does not have an impact for leases where the Branch is the lessor.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 New and revised accounting standards effective at 30 June 2020 (continued)

The Branch has adopted AASB 16 using the modified retrospective method of transition, with the date of initial application of 1 July 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Branch elected to use the transition practical expedient to not reassess whether a contract is or contains a lease at 1 July 2019.

Instead, the Branch applied the standard only to contracts that were previously identified as leases applying AASB 117 and Interpretation 4 at the date of initial application.

The Branch has lease contracts for vehicles and other equipment. Before the adoption of AASB 16, the Branch classified each of its leases (as lessee) at the inception date as operating lease.

Upon adoption of AASB 16, the Branch applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. Refer to Note 2.15 Leases for the accounting policy beginning 1 July 2019. The standard provides specific transition requirements and practical expedients, which have been applied by the Branch.

Leases previously accounted for as operating leases

The Branch recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. In some leases, the right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Branch has also elected to apply applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relied on its assessment of whether leases are onerous immediately before the date of initial application
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 New and revised accounting standards effective at 30 June 2020 (continued)

Based on the above, as at 1 July 2019:

- Right-of-use assets of \$32,023 were recognised and presented separately in the statement of financial position.
- Additional lease liabilities of \$33,253 (included in lease liabilities) were recognised.
- The net effect of these adjustments had been adjusted to retained earnings \$1,229

The following is a reconciliation of non cancellable operating lease commitments disclosed at the end of the prior reporting period (i.e., at 30 June 2019) to the aggregate carrying amount of lease liabilities recognised at the date of the initial application (i.e., at 1 July 2019):

Operating lease commitments disclosed as at 30 June 2019	\$ 35,265
Discounted using the Branch's incremental borrowing rate at 6.69%	33,253
Lease Liabilities recognised as at 1 July 2019	<u><u>33,253</u></u>

2.3 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 21 to the financial statements.

In preparing the financial statements, all inter-group balances and transactions between entities in the consolidated group have been eliminated in full on consolidation. Accounting policies of related entities have been changed where necessary to ensure consistency with those adopted by the parent entity.

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are shown separately within the equity section of the statement of financial position and statement of profit or loss and other comprehensive income. The non-controlling interests' interest in the net assets comprises their interests at the date of the original business combination and their share of changes in equity since that date.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 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.

2.5 Revenue

The Branch enters into various arrangements where it receives consideration from another party. These arrangements include consideration in the form of membership subscriptions, student fees and charges and project funding. The timing of recognition of these amounts as either revenue or income depends on the rights and obligations in those arrangements.

Where the Branch has a contract with a customer, the Branch recognises revenue when or as it transfers control of goods or services to the customer. The Branch accounts for an arrangement as a contract with a customer if the following criteria are met:

- the arrangement is enforceable; and
- the arrangement contains promises (that are also known as performance obligations) to transfer goods or services to the customer (or to other parties on behalf of the customer) that are sufficiently specific so that it can be determined when the performance obligation has been satisfied.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Revenue (continued)

(i) Membership subscriptions

For membership subscription arrangements that meet the criteria to be contracts with customers, revenue is recognised when the promised goods or services transfer to the customer as a member of the Guild.

The Guild recognises revenue as the membership is provided, which is typically based on the passage of time over the subscription period to reflect the Guild's promise to stand ready to provide assistance and support to the member as required.

For member subscriptions paid annually in advance, the Branch has elected to apply the practical expedient to not adjust the transaction price for the effects of a significant financing component because the period from when the customer pays and the good or services will transfer to the customer will be one year or less.

When a member subsequently purchases additional goods or services from the Guild at their standalone selling price, the Guild accounts for those sales as a separate contract with a customer.

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 recognised in profit and loss on a systematic basis over the periods in which the Branch recognises 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 recognised 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.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Revenue (continued)

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 recognised 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. Collectability of debts is reviewed at the end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

(vii) Rental income

Leases in which the Guild as a lessor, does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income from leasing of office space is recognised on a straight-line basis over the terms of the relevant leases.

(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).

2.6 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.

2.7 Income tax

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

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 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.

2.9 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.

2.10 Trade and other receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment.

2.11 Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses. Such cost includes the cost of replacing part of the property, plant and equipment if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. All other repair and maintenance costs are recognised in profit or loss as incurred.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Property, plant and equipment (continued)

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:

<u>Class of plant and equipment</u>	<u>Useful life</u>
Plant and equipment	3 to 15 years
Motor vehicles	3 to 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.

2.12 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 either by an external independent valuer or director's valuation. 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 FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 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 13.

2.14 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

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 Leases

The Branch assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Branch as a lessee

The Branch applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Branch recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Branch recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

	2020
Right-of-use Asset - Motor Vehicle	20 to 24 months

If ownership of the leased asset transfers to the Branch at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

Lease liabilities

At the commencement date of the lease, the Branch recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Branch and payments of penalties for terminating the lease, if the lease term reflects the Branch exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 Leases (continued)

In calculating the present value of lease payments, the Branch uses the implicit interest rate or incremental borrowing rate if the implicit lease rate is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Leases of 12-months or less and leases of low-value assets

Lease payments made in relation to leases of 12 months or less and leases of low value assets (for which a lease asset and a lease liability has not been recognised) are recognised as an expense on a straight line basis over the lease term.

Accounting policy applied to information presented for the prior period under AASB 117 Leases

Each lease is classified as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset.

Operating leases

Lease payments from operating leases are recognised as income on either a straight line basis or another systematic basis (if that basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished).

Finance leases

At the commencement date of a finance lease, the group recognises a receivable (for assets held under the finance lease) at an amount equal to the net investment in the lease. The net investment in finance leases is the sum of the lease payments receivable by the group under the finance lease and the estimated unguaranteed residual value of the underlying asset at the end of the lease term, discounted at the interest rate implicit in the lease.

Finance income is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on the net investment in finance leases.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.16 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.

2.17 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 in advance, but not received, which are unearned at year end and are presented as liabilities.

2.18 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.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.19 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.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Branch's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Branch initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Branch's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Classification and subsequent measurement

Financial instruments are subsequently measured and classified in five categories:

- (i) financial assets at amortised cost;
- (ii) financial assets at fair value through other comprehensive income;
- (iii) financial assets at fair value through profit or loss;
- (iv) financial assets designated at fair value through profit or loss;
- (v) investments in equity instruments designated at fair value through other comprehensive income.

Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.19 Financial instruments (continued)

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.

Financial assets at amortised cost

The Branch measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Branch's financial assets at amortised cost includes trade receivables and loans to related parties.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.19 Financial instruments (continued)

Impairment - Trade Receivables

Receivables that do not have a significant financing component, the Branch applies a simplified approach in calculating expected credit losses (ECLs) which requires lifetime expected credit losses to be recognised from initial recognition of the receivables.

Therefore, the Branch does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Branch has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Debt instruments other than trade receivables

For all debt instruments other than trade receivables and debt instruments not held at fair value through profit or loss, the Branch recognises an allowance for expected credit losses using the general approach. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Branch expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages:

- Where there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses from possible default events within the next 12-months (a 12-month ECL).
- Where there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the debt, irrespective of the timing of the default (a lifetime ECL).

The Branch considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Branch may also consider a financial asset to be in default when internal or external information indicates that the Branch is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.20 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 FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.21 Comparative figures

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

2.22 Fair value measurement

The Group measures non-financial assets, such as investment properties and financial assets 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.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.22 Fair value measurement (continued)

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

External valuers are involved for valuation of significant assets, such as investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. 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.

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.

2.23 Borrowing costs

Borrowing costs include interest expense calculated using the effective interest method and finance charges in respect of lease arrangements.

Borrowing costs are expensed as incurred. All borrowing costs are recognised in profit and loss in the period in which they are incurred.

2.24 Going Concern

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

NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2020

NOTE 3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

The Organisation's Branch Committee is responsible for, among other issues, monitoring and managing financial risk exposures of the Organisation. The Branch Committee reviews and agrees policies for managing 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. Cash and cash equivalents are being held in interest bearing accounts.

	Consolidated		Parent	
	2020	2019	2020	2019
	\$	\$	\$	\$
Cash and cash equivalents	1,689,471	1,672,604	659,164	861,964

Sensitivity

If interest rates were to increase/decrease by 100 basis points from the rates prevailing at the reporting date, assuming all other variables remain constant, then the impact of profit for the year and equity would be as follows:

	Consolidated		Parent	
	2020	2019	2020	2019
	\$	\$	\$	\$
+ / - 100 basis points				
Impact on profit after tax	16,895	16,726	6,592	8,620

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.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Group's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. Credit risk is minimal. Subscriptions receivable amounts are considered as "past due" when the debt has not been settled within the terms and conditions agreed between the Group and the member or the counterparty to the transactions. Receivables that are past due are assessed for impairment by ascertaining their willingness to pay and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Group.

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

The group does not have any material credit risk exposure to any single counterparty or group of counterparties under financial instruments entered into by the group.

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.

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The following table outlines the group's remaining contractual maturities for non derivative financial instruments. The amounts presented in the table are the undiscounted contractual cash flows of the financial liabilities, allocated to time bands based on the earliest date on which the group can be required to pay.

Consolidated

Year ended 30 June 2020	< 6 months	6-12 months	1-5 years	Total contractual cash flows	Carrying amount
	\$	\$	\$	\$	\$
Payables	301,001	-	-	301,001	301,001
Legal cost payable	-	-	-	-	-
Related party payable	140,667	-	-	140,667	140,667
Lease liabilities	15,617	-	-	15,617	15,617
Net maturities	<u>457,285</u>	<u>-</u>	<u>-</u>	<u>457,285</u>	<u>457,285</u>

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Liquidity risk (continued)

Year ended 30 June 2019	< 6 months	6-12 months	1-5 years	Total contractual cash flows	Carrying amount
				\$	\$
Payables	373,836	-	-	373,836	373,836
Legal cost payable	19,194	-	-	19,194	19,194
Related party payable	108,788	-	-	108,788	108,788
Net maturities	<u>501,818</u>	<u>-</u>	<u>-</u>	<u>501,818</u>	<u>501,818</u>
Parent					
Year ended 30 June 2020					
Payables	247,747	-	-	247,747	247,747
Legal cost payable	-	-	-	-	-
Related party payable	124,925	-	600,000	724,925	724,925
Lease liabilities	15,617	-	-	15,617	15,617
Net maturities	<u>388,289</u>	<u>-</u>	<u>600,000</u>	<u>988,289</u>	<u>988,289</u>
Year ended 30 June 2019					
Payables	319,631	-	-	319,631	319,631
Legal cost payable	19,194	-	-	19,194	19,194
Related party payable	104,001	600,000	-	704,001	704,001
Net maturities	<u>442,826</u>	<u>600,000</u>	<u>-</u>	<u>1,042,826</u>	<u>1,042,826</u>

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 FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2020

NOTE 3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) 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 2020:

	Date of valuation	Total	Fair value measurement using		
			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 12)	30-Jun-20	14,000,000		14,000,000	
Financial assets at fair value through profit or loss (Note 9)	30-Jun-20	3,273,540	3,273,540		

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	Consolidated		Parent	
	2020	2019	2020	2019
	\$	\$	\$	\$
NOTE 4 REVENUE AND INCOME				
(a) Income				
Revenue				
(i) Membership contribution received by the Branch	2,056,892	2,002,406	2,056,892	2,002,406
	<u>2,056,892</u>	<u>2,002,406</u>	<u>2,056,892</u>	<u>2,002,406</u>
(ii) Grants and/or donations				
- Grants	-	-	-	-
- Donations	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(iii) Other Revenue				
Commission	2,745	5,073	2,537	4,839
Interest	83,290	88,702	4,312	6,932
Sundry Income	83,111	410,900	83,111	410,900
Rental income Guild Properties	806,881	760,982	39,552	39,552
Distribution income from:				
- The Guild Properties (Victoria)	-	-	660,857	629,844
Unit Trust				
Training income	620,332	548,761	620,332	548,761
Pharmacy Business Support Services	755,480	755,480	755,480	755,480
	<u>2,351,839</u>	<u>2,569,898</u>	<u>2,166,181</u>	<u>2,396,308</u>
	<u>4,408,731</u>	<u>4,572,304</u>	<u>4,223,073</u>	<u>4,398,714</u>
(b) Gain/(loss) on divestment of investment	24,068	(20,375)	-	-
(c) Gain on revaluation of investment property	-	194,422	-	-
(d) Unrealised fair value (loss)/gain on financial assets at FVTPL	(131,431)	222,621	-	-

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	Consolidated		Parent	
	2020 \$	2019 \$	2020 \$	2019 \$
NOTE 4 REVENUE AND INCOME (CONTINUED)				
(e) Other Income				
Gain from sale of assets	-	5,776	-	5,776
Distribution income from The Guild (Victoria) Computer Unit Trust	-	-	-	344,173
Management Fees	-	-	177,600	177,600
Wage Recovery	-	-	-	-
Dividends Income	169,102	189,757	-	-
Job Keeper Payment	219,000	-	219,000	-
Cash Flow Boost	50,000	-	50,000	-
	<u>438,102</u>	<u>195,533</u>	<u>446,600</u>	<u>527,549</u>
Total Income	<u>4,739,470</u>	<u>5,164,505</u>	<u>4,669,673</u>	<u>4,926,263</u>

NOTE 5 PROFIT FOR THE YEAR

Profit /(loss) for the year has been determined after charging:

Expenses

(a) Capitation fee expense - membership contributions to National Council	822,253	800,674	822,253	800,674
(b) Committee fees and allowances for attendance at meeting and conference	5,595	9,328	5,595	9,328
(c) Employee benefit relating to "Holders of Office"				
- Wages	152,108	152,788	152,108	152,788
- Superannuation	14,962	14,962	14,962	14,962
- Leave and other entitlements	-	-	-	-
- Separation and redundancies	-	-	-	-
	<u>167,070</u>	<u>167,750</u>	<u>167,070</u>	<u>167,750</u>

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	Consolidated		Parent	
	2020	2019	2020	2019
	\$	\$	\$	\$
NOTE 5 PROFIT FOR THE YEAR (CONTINUED)				
Employee benefit relating to "Other than Holders of Office"				
- Wages	1,808,894	1,879,715	1,808,894	1,879,715
- Superannuation	231,572	259,672	231,572	259,672
- Leave and other entitlements	222,923	196,985	222,923	196,985
- Separation and redundancies	22,385	-	22,385	-
- Other employee expense	63,403	192,812	63,403	192,812
Total employee benefits	2,349,177	2,529,184	2,349,177	2,529,184
Total employee benefit	2,516,247	2,696,934	2,516,247	2,696,934
There were no expenses incurred by Pharmacy Guild of Australia, Victoria as consideration for making payroll deductions of membership subscriptions.				
(d) Grants and donations				
Grants:				
- Total paid that were \$1,000 or less	-	-	-	-
- Total paid that exceeded \$1,000	-	-	-	-
Donations:				
- Total paid that were \$1,000 or less	1,427	5,082	1,427	5,082
- Total paid that exceeded \$1,000	7,364	355,284	7,364	355,284
	8,791	360,366	8,791	360,366
Purpose of donations/grants greater than \$1,000 have been disclosed separately in a statement lodged under Section 237 of the Fairwork (Registered Organisations) Act 2009				
(e) Levies				
Levies imposed	-	-	-	-
(f) Members briefing costs	16,644	10,163	16,644	10,163

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	Consolidated		Parent	
	2020	2019	2020	2019
	\$	\$	\$	\$
NOTE 5 PROFIT FOR THE YEAR (CONTINUED)				
(g) Legal expense				
- litigations	-	-	-	-
- other legal matters	33,017	67,933	23,876	60,142
	<u>33,017</u>	<u>67,933</u>	<u>23,876</u>	<u>60,142</u>
Analysis of legal expense:				
- legal expense paid	33,017	48,740	23,876	40,949
- legal expense payable	-	19,193	-	19,193
	<u>33,017</u>	<u>67,933</u>	<u>23,876</u>	<u>60,142</u>
(h) Affiliation fees	-	-	-	-
(i) Penalties - Fair Works (Registered Organisations) Act 2009	-	-	-	-
(j) Conference and Meeting Expenses				
Conference and training expenses	8,317	20,067	8,317	20,067
Branch Committee meeting expenses	2,290	1,573	2,290	1,573
	<u>10,607</u>	<u>21,640</u>	<u>10,607</u>	<u>21,640</u>

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.

NOTE 6 CASH AND CASH EQUIVALENTS

Cash at bank	1,555,574	1,531,021	659,164	861,964
Term deposits	133,897	141,583	-	-
	<u>1,689,471</u>	<u>1,672,604</u>	<u>659,164</u>	<u>861,964</u>

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits mature every 30 days or 180 days and earn interest at the respective short-term deposit rate. The carrying amount of cash and cash equivalents represents fair value.

Reconciliation to the statement of cash flows

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

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	Consolidated		Parent	
	2020	2019	2020	2019
	\$	\$	\$	\$
NOTE 7 TRADE AND OTHER RECEIVABLES				
Trade receivables	80,103	75,132	27,675	36,994
Other receivables	254,951	51,387	246,659	42,280
	<u>335,054</u>	<u>126,519</u>	<u>274,334</u>	<u>79,274</u>
Related party receivables	1,885	30,945	33,975	40,624
	<u>336,939</u>	<u>157,464</u>	<u>308,309</u>	<u>119,898</u>
Less: Provision for Expected Credit Loss	(3,000)	(8,000)	(3,000)	(8,000)
Trade and Other Receivables	<u>333,939</u>	<u>149,464</u>	<u>305,309</u>	<u>111,898</u>

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

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

Neither past due nor impaired	<u>303,387</u>	<u>124,646</u>	<u>269,423</u>	<u>49,314</u>
Past due but not impaired:				
< 30 days	14,019	18,202	-	27,610
30 - 60 days	14,019	360	2,487	341
> 60 days	2,514	6,256	33,399	34,633
	<u>30,552</u>	<u>24,818</u>	<u>35,886</u>	<u>62,584</u>
Total trade and other receivables	<u>333,939</u>	<u>149,464</u>	<u>305,309</u>	<u>111,898</u>

NOTE 8 OTHER ASSETS

Prepayments	53,724	41,201	40,494	29,682
Accrued income	88,733	83,397	-	876
Deferred Rent Assets	49,780	75,430	-	-
	<u>192,237</u>	<u>200,028</u>	<u>40,494</u>	<u>30,558</u>

NOTE 9 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Australia listed equities	1,295,124	1,539,455	-	-
Global equities	1,502,138	1,565,095	-	-
Interest bearing securities	476,278	835,143	-	-
	<u>3,273,540</u>	<u>3,939,693</u>	<u>-</u>	<u>-</u>

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 9 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

As at 30 June 2020, the Group held the following financial instruments measured at fair value:

	Level 1	Level 2	Level 3
	\$	\$	\$
As at 30 June 2020:			
Australia listed equities	1,295,124	-	-
Global equities	1,502,138	-	-
Interest bearing securities	476,278	-	-
	3,273,540	-	-
As at 30 June 2019:			
Australia listed equities	1,539,455	-	-
Global equities	1,565,095	-	-
Interest bearing securities	835,143	-	-
	3,939,693	-	-

	Consolidated		Parent	
	2020	2019	2020	2019
	\$	\$	\$	\$

NOTE 10 PROPERTY, PLANT AND EQUIPMENT

Plant and equipment

At cost	1,081,005	1,079,646	1,081,005	1,079,646
Accumulated depreciation	(1,032,886)	(1,005,516)	(1,032,886)	(1,005,516)
Net carrying amount	48,119	74,130	48,119	74,130

Motor vehicles

At cost	69,005	69,005	69,005	69,005
Accumulated depreciation	(39,458)	(22,881)	(39,458)	(22,881)
Net carrying amount	29,547	46,124	29,547	46,124

Total property, plant and equipment

At cost	1,150,010	1,148,651	1,150,010	1,148,651
Accumulated depreciation	(1,072,344)	(1,028,397)	(1,072,344)	(1,028,397)
Net carrying amount	77,666	120,254	77,666	120,254



NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	Consolidated		Parent	
	2020	2019	2020	2019
	\$	\$	\$	\$
NOTE 10 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)				
Reconciliation of carrying amounts at the beginning and end of the year				
Plant and equipment				
Balance at the beginning of the year				
At cost	1,079,646	1,071,189	1,079,646	1,071,189
Accumulated depreciation	(1,005,516)	(964,832)	(1,005,516)	(964,832)
Net carrying amount	74,130	106,357	74,130	106,357
Additions	5,476	14,678	5,476	14,678
Disposals	(28)	(55)	(28)	(55)
Depreciation charge for the year	(31,459)	(46,850)	(31,459)	(46,850)
Balance at the end of the year - net carrying amount	48,119	74,130	48,119	74,130
Motor vehicles				
Balance at the beginning of the year				
At cost	69,005	64,714	69,005	64,714
Accumulated depreciation	(22,881)	(38,482)	(22,881)	(38,482)
Net carrying amount	46,124	26,232	46,124	26,232
Additions	-	40,900	-	40,900
Disposals	-	(10,441)	-	(10,441)
Depreciation charge for the year	(16,577)	(10,567)	(16,577)	(10,567)
Balance at the end of the year - net carrying amount	29,547	46,124	29,547	46,124
Total property, plant and equipment				
Balance at the beginning of the year				
At cost	1,148,651	1,135,903	1,148,651	1,135,903
Accumulated depreciation	(1,028,397)	(1,003,314)	(1,028,397)	(1,003,314)
Net carrying amount	120,254	132,589	120,254	132,589
Additions	5,476	55,578	5,476	55,578
Disposals	(28)	(10,496)	(28)	(10,496)
Depreciation charge for the year	(48,036)	(57,417)	(48,036)	(57,417)
Balance at the end of the year - net carrying amount	77,666	120,254	77,666	120,254

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	Consolidated 2020 \$	Parent 2020 \$
NOTE 11 LEASE ASSETS AND LEASE LIABILITIES		
(a) Lease assets		
Motor vehicles		
Motor vehicles under lease	32,023	32,023
Accumulated depreciation	(17,465)	(17,465)
Total carrying amount of lease assets	<u>14,558</u>	<u>14,558</u>
(b) Lease liabilities		
CURRENT		
Motor vehicles under lease	<u>15,617</u>	<u>15,617</u>

	Consolidated		Parent	
	2020 \$	2019 \$	2020 \$	2019 \$
NOTE 12 INVESTMENT PROPERTY				
Opening balance at 1 July	14,000,000	13,800,000	-	-
Additions	-	5,578	-	-
Net gain from fair value adjustments	-	194,422	-	-
Closing balance at 30 June	<u>14,000,000</u>	<u>14,000,000</u>	-	-
Investments in freehold land and buildings	<u>14,000,000</u>	<u>14,000,000</u>	-	-

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

	Valuation technique	Significant unobservable Inputs	Range (weighted average)	
			2020	2019
Investment properties	DCF method	Estimated office area rental per sqm per month	\$ 370	\$ 370
		Estimated car space rental per car park bay per month	\$ 215	\$ 215
		Discount rate	7.25%	7.25%

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	Consolidated 2020 \$	Consolidated 2019 \$
NOTE 13 INVESTMENT IN ASSOCIATE		
Investment in associate, FRED IT Group Pty Ltd	4,154,342	4,407,697

The equity interest in FRED IT Group Pty Ltd is 35% (2019: 35%) and has been equity accounted.

Movement during the year in equity accounted investment in associate

Balance at 1 July	4,407,697	4,425,315
Add: share of associate's loss after income tax	(253,355)	(17,618)
Less: dividend revenue from associate	-	-
Balance at 30 June	4,154,342	4,407,697

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 is the provision of IT hardware, software and services to pharmacies and other retailers.

The associate has a contingent liability relating to writs that have been filed by the unitholders of Pharm X Unit Trust claiming damages arising from the company failing to give notice of a change in its effective control in 2013. The writs have not been served on FRED IT Group Pty Ltd. The associate will defend its position should the writs be served.

The following illustrates summarised financial information relating to the Group's investment in FRED IT Group Pty Ltd:

Extract from the associate's statement of financial position

Current assets	10,785,398	9,564,637
Non-current assets	31,858,024	28,475,653
	<u>42,643,422</u>	<u>38,040,290</u>
Current liabilities	19,607,880	17,793,946
Non-current liabilities	11,665,954	8,149,444
	<u>31,273,834</u>	<u>25,943,390</u>
Net assets	<u>11,369,588</u>	<u>12,096,900</u>
less: non controlling interest share of net assets	(70,087)	(73,527)
Adjusted net assets	11,299,501	12,023,373
Share of associate's net assets 35% (2019:35%)	<u>3,954,825</u>	<u>4,208,181</u>

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Consolidated	
2020	2019
\$	\$

NOTE 13 INVESTMENT IN ASSOCIATE (CONTINUED)

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

Revenue	52,802,398	49,716,598
Net loss after tax	(727,311)	(4,157)
Net loss attributable to majority interest	(723,871)	(50,337)
Share of associates net loss after tax 35% (2019:35%)	(253,355)	(17,618)

Consolidated		Parent	
2020	2019	2020	2019
\$	\$	\$	\$

NOTE 14 LOAN TO ASSOCIATE

Loan to associate	1,610,000	1,000,000	-	-
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The loan to associate is unsecured and bears an interest at the Bank Bill Swap Rate plus 4% margin. The loan repayment date is 14 December 2022. No expected credit losses have been recognised in relation to any outstanding balances, and no expense has been recognised in respect of expected credit losses due from loan to associate.

NOTE 15 TRADE AND OTHER PAYABLES

Current

Trade payables and accruals	301,001	373,836	247,747	319,631
Legal cost payable	-	19,194	-	19,194
Unearned revenue	21,820	23,663	21,820	12,715
Deferred revenue	953,040	1,188,226	939,161	1,188,226
	1,275,861	1,604,919	1,208,728	1,539,766

Related party payables	140,667	108,788	124,925	704,001
	1,416,528	1,713,707	1,333,653	2,243,767

Non-current

Security deposit held in trust	49,269	49,269	-	-
Related party payables	-	-	600,000	-
	49,269	49,269	600,000	-

Trade payables are classified as financial liabilities at amortised cost.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 15 TRADE AND OTHER PAYABLES (CONTINUED)

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.

For terms and conditions relating to unearned revenue and deferred revenue refer to Note 2.17.

For explanations on the Group's liquidity risk management process, refer to Note 3(c).

	Consolidated		Parent	
	2020	2019	2020	2019
	\$	\$	\$	\$
NOTE 16 EMPLOYEE BENEFIT PROVISIONS				
Current				
Annual leave	203,128	156,663	203,128	156,663
Long service leave	67,252	68,772	67,252	68,772
	<u>270,380</u>	<u>225,435</u>	<u>270,380</u>	<u>225,435</u>
Non-Current				
Long service leave	134,628	104,269	134,628	104,269
	<u>134,628</u>	<u>104,269</u>	<u>134,628</u>	<u>104,269</u>
Total Employee benefit provisions	<u>405,008</u>	<u>329,704</u>	<u>405,008</u>	<u>329,704</u>

Refer to Note 2.18 for the relevant accounting policy and a discussion of the significant estimation and assumptions applied in the measurement of employee benefit provisions.

Employee benefit provisions are analysed as follows:

(i) **Relating to "Holders of Offices"**

- Annual leave	-	-	-	-
- Long service leave	-	-	-	-
- Separation and redundancies	-	-	-	-
- Other employee provisions	-	-	-	-
- Other employee expenses	-	-	-	-

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	Consolidated		Parent	
	2020	2019	2020	2019
	\$	\$	\$	\$
NOTE 16 EMPLOYEE BENEFIT PROVISIONS (CONTINUED)				
(ii) Relating to employees ("other than Holders of Offices")				
- Annual leave	203,128	156,663	203,128	156,663
- Long service leave	201,880	173,041	201,880	173,041
- Separation and redundancies	-	-	-	-
- Other employee provisions	-	-	-	-
- Other employee expenses	-	-	-	-
Total employee benefit provisions	405,008	329,704	405,008	329,704

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 2.18.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	Consolidated		Parent	
	2020	2019	2020	2019
	\$	\$	\$	\$
NOTE 16 EMPLOYEE BENEFIT PROVISIONS (CONTINUED)				
Amounts not expected to be settled within the next 12 months				
Current leave obligations expected to be settled after 12 months	143,784	53,371	143,784	53,371

No provisions were made for:

- (i) employee benefits relating to Branch Committee (2019: Nil)
- (ii) separation and redundancies or other employee provisions (2019: Nil).
- (iii) payables to employers as consideration for the employers making payroll deductions of membership subscriptions (2019: Nil)
- (iv) employee related payables in respect of legal costs and expenses related to:
 - (a) litigation; and
 - (b) other legal matters.

NOTE 17 RESERVES

Asset revaluation reserve	-	-	3,784,080	3,784,080
Income reserve - capital gain	5,893,106	5,893,106	-	-
	<u>5,893,106</u>	<u>5,893,106</u>	<u>3,784,080</u>	<u>3,784,080</u>

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

The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	Consolidated		Parent	
	2020	2019	2020	2019
	\$	\$	\$	\$
NOTE 18 STATEMENT OF CASH FLOW RECONCILIATION				
Reconciliation of net profit for the year to net cash used in operations				
Profit/(loss) for the year	63,500	103,812	283,796	(88,089)
<i>Adjustment for:</i>				
Depreciation & Amortisation	65,502	57,417	65,502	57,417
Gain on revaluation of investment property	-	(194,422)	-	-
Gain on sale of fixed assets	-	(5,776)	-	(5,776)
Assets written off	28	-	28	-
Distribution income from The Guild (Victoria) Computer Unit Trust	-	-	-	(344,173)
Distribution income from The Guild Properties (Victoria) Unit Trust	-	-	(660,857)	(629,844)
Interest paid classified as financing cash flow	-	-	25,663	24,000
Dividend income classified as investing cash flow	(169,102)	(189,757)	-	-
(Gain)/loss on divestment of other investments	(24,068)	20,375	-	-
Unrealised fair value gain	131,431	(222,621)	-	-
Expected credit loss from trade receivables	(5,000)	(4,000)	(5,000)	(4,000)
Share of loss from FRED IT Group	253,355	17,618	-	-
<i>Changes in assets and liabilities</i>				
Decrease/(increase) in trade and other receivables	(179,472)	97,156	(188,411)	116,331
Decrease/(increase) in other assets	7,791	33,027	(9,936)	16,115
(Decrease)/Increase in trade and other payables	(297,179)	149,820	(910,114)	767,565
(Decrease)/increase in employee benefit liabilities	75,304	(15,446)	75,304	(15,446)
(Decrease)/Increase in other liabilities	-	-	600,000	(600,000)
Net cash flows (used in)/from operating activities	(77,910)	(152,797)	(724,025)	(705,900)

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 19 RELATED PARTY TRANSACTIONS

(a) Director and executive disclosures

The following persons held positions on the Branch Committee or were Directors during the reporting period:

Mr. A Tassone	Branch president
Mr. K. Chong	Vice President – Finance
Ms. G. Chong	Vice President
Mr. A. Pricolo	Vice President
Mr. P. Krassar	Branch Committee
Mr. G. Tambassis	National President
Mr. B. Robertson	Branch Committee
Mr. V. Kapadia	Branch Committee
Ms. C. Streeter	Branch Committee
Ms. M. Tsitonakis	Branch Committee
Mr. G. Brooks	Branch Committee
Mr. S. Wilkes	Branch Committee

FRED IT Group Pty Ltd

Mr. P. Krassar	Director FRED IT Group Pty Ltd
Mr. A. Pricolo	Director FRED IT Group Pty Ltd

All related party transactions are at arm's length.

	Consolidated		Parent	
	2020	2019	2020	2019
	\$	\$	\$	\$
(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)	(82,611)	(64,225)	(82,611)	(64,225)
Guild Group Holding Ltd	(58,056)	(44,563)	(42,314)	(31,261)
The Guild Properties (Victoria) Unit Trust	-	-	-	(8,514)
Pharmacy Computers Australia Pty Ltd	-	-	-	(600,000)
	<u>(140,667)</u>	<u>(108,788)</u>	<u>(124,925)</u>	<u>(704,000)</u>
Non-Current				
Pharmacy Computers Australia Pty Ltd	-	-	(600,000)	-
	<u>(140,667)</u>	<u>(108,788)</u>	<u>(724,925)</u>	<u>(704,000)</u>

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 19 RELATED PARTY TRANSACTIONS (CONTINUED)

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.

	Consolidated		Parent	
	2020	2019	2020	2019
	\$	\$	\$	\$
(ii) Amount receivable from related parties:				
The Pharmacy Guild of Australia (National Secretariat)	133	17,334	133	9,557
Care Energy Australia Pty Ltd	33,842	-	33,842	31,067
FRED IT Group Pty Ltd	-	13,611	-	-
	<u>33,975</u>	<u>30,945</u>	<u>33,975</u>	<u>40,624</u>
<i>Present Entitlement receivable from :</i>				
The Guild (Vic) Computer Unit Trust	-	-	4,452,257	4,452,257
The Guild Properties (Victoria) Unit Trust	-	-	859,138	768,281
	<u>-</u>	<u>-</u>	<u>5,311,395</u>	<u>5,220,538</u>

Related parties outstanding balances at year end are unsecured, interest free and settlement occurs in cash. No expected credit loss has been raised in relation to any outstanding balances and no expenses has been recognised in respect of expected credit losses due from related parties.

(c) Transactions with related parties

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

The Pharmacy Guild of Australia National Secretariat

(i) Funding for Business Support Services	755,480	755,480	755,480	755,480
(ii) Rental received by Victoria Branch	102,279	107,952	39,552	39,552
(iii) Funding for Legal Advice	-	25,000	-	25,000
(iv) Balancing payment	-	69,000	-	69,000
(v) Funding for MyHealth Record	-	10,000	-	10,000
(vi) Funding for Federal campaign & political related functions	-	253,364	-	253,364
(vii) Funding for Diversity Event	3,000	-	3,000	-
(viii) Funding for political associate function	3,000	-	3,000	-
(ix) Sponsorship for Australian Patient Association Award Night	-	5,000	-	5,000
(x) Other reimbursable expenses	30,523	23,191	7,174	11,175
	<u>894,282</u>	<u>1,248,987</u>	<u>808,206</u>	<u>1,168,571</u>

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	Consolidated		Parent	
	2020	2019	2020	2019
	\$	\$	\$	\$
NOTE 19 RELATED PARTY TRANSACTIONS (CONTINUED)				
(xi) Membership contributions paid by Victorian Branch <i>Terms: 40% (2019 :40%) of gross membership fees received.</i>	(822,253)	(800,674)	(822,253)	(800,674)
(xii) Support fees for maintenance of national membership database	(26,206)	(24,579)	(26,206)	(24,579)
(xiii) Share of annual e-Learning licence fees	-	(4,333)	-	(4,333)
(xiv) Immunization & Vaccination Module Development Fee	-	(3,370)	-	(3,370)
(xv) Immunization & Vaccination Module Delivery fees	(4,200)	(4,688)	(4,200)	(4,688)
(xvi) Other reimbursable expenses	(2,107)	(2,847)	(2,107)	(2,847)
	<u>(854,766)</u>	<u>(840,491)</u>	<u>(854,766)</u>	<u>(840,491)</u>
The Pharmacy Guild of Australia (NSW)				
(i) Commission Income received by Victoria Branch	2,128	4,839	2,128	4,839
The Pharmacy Guild of Australia (WA)				
(i) Share of development costs for Members Mobile Application	-	1,001	-	1,001
The Pharmacy Guild of Australia (QLD)				
(i) Fees for conducting Interns workshop	4,000	3,593	4,000	3,593
(ii) Reimbursable expenses for PATY Workshop	644	1,795	644	1,795
(iii) Guild News advertising fees	500	1,000	500	1,000
(iv) Other reimbursable expenses	-	1,205	-	1,205
	<u>5,144</u>	<u>7,593</u>	<u>5,144</u>	<u>7,593</u>

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	Consolidated		Parent	
	2020	2019	2020	2019
	\$	\$	\$	\$
NOTE 19 RELATED PARTY TRANSACTIONS (CONTINUED)				
The Pharmacy Guild of Australia (TAS)				
(i) Reimbursement of conference expense	(354)	-	(354)	-
	<u>(354)</u>	<u>-</u>	<u>(354)</u>	<u>-</u>
Other related parties				
Pharmacy Computers Australia Pty Ltd				
(i) Management Fee paid to Victorian Branch	-	-	85,800	85,800
(ii) Distribution of income to Victorian Branch			-	500,000
(iii) Loan to associate	610,000	-	-	-
(iv) Loan interest paid by Victorian Branch	-	-	(24,066)	(24,000)
(v) Loan interest income from Associate	65,674	59,204	-	-
	<u>675,674</u>	<u>59,204</u>	<u>61,734</u>	<u>561,800</u>

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 a bank bill swap rate plus 4% margin and is due for repayment on 14 December 2022.

Associates of Pharmacy Computers Australia Pty Ltd

FRED IT Group Pty Ltd				
(i) Loan interest from \$1.61 million(2019:\$1.0 million) loan to assist in progression of projects	62,743	59,204	-	-
(ii) Sponsorship for FRED IT Group Pty Ltd's 25th year anniversary	-	(2,500)	-	(2,500)
(iii) Office 365 Support Fee paid to FRED IT Group Pty Ltd	(37)	(37)	(37)	(37)
	<u>62,706</u>	<u>56,667</u>	<u>(37)</u>	<u>(2,537)</u>

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	Consolidated		Parent	
	2020	2019	2020	2019
	\$	\$	\$	\$
NOTE 19 RELATED PARTY TRANSACTIONS (CONTINUED)				
Guild Properties (Victoria) Unit Trust				
(i) Management Fees paid to Victorian Branch	-	-	99,600	99,600
(ii) Office rental paid by Victorian Branch	-	-	(225,382)	(221,336)
(iii) Building outgoings costs & maintenance paid by Victoria Branch *	-	-	(85,893)	(69,439)
	-	-	(211,675)	(191,175)
(iv) Distribution of income to Victorian Branch	-	-	570,000	500,000
	-	-	358,325	308,825
* Term: Normal commercial term				
Subsidiaries of the Pharmacy Guild of Australia:				
Guild Insurance Ltd				
(i) Vehicle insurance premium for Victoria Branch	(14,707)	(14,316)	(14,707)	(14,316)
Guild Group Holding Ltd				
(i) Group insurance premium for Victoria Branch	(51,616)	(35,874)	(35,874)	(35,874)
Subsidiaries of Gold Cross Products and Services Pty Ltd				
<i>Domain fees received from:</i>				
Pharmadotcom Pty Ltd	10,400	10,400	10,400	10,400

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	Consolidated		Parent	
	2020	2019	2020	2019
	\$	\$	\$	\$
NOTE 19 RELATED PARTY TRANSACTIONS (CONTINUED)				
Cash flow movements with related parties				
<i>(i) Receipts from related parties</i>				
The Pharmacy Guild of Australia (National Secretariat)	1,017,372	1,331,868	917,954	1,250,912
The Pharmacy Guild of Australia (QLD)	5,259	9,748	5,259	9,748
The Pharmacy Guild of Australia (NSW)	2,790	5,323	2,790	5,323
The Pharmacy Guild of Australia (NT)	-	277	-	277
The Pharmacy Guild of Australia (WA)	-	1,001	-	1,001
Pharmacy Computers Australia Pty Ltd	-	-	85,800	85,800
The Guild Properties (Victoria) Unit Trust	-	-	109,886	110,302
Pharmadotcom Pty Ltd	11,440	11,440	11,440	11,440
FRED IT Group Pty Ltd	79,285	61,878	-	-
	<u>1,116,146</u>	<u>1,421,535</u>	<u>1,133,129</u>	<u>1,474,803</u>
<i>(ii) Payments to related parties</i>				
The Pharmacy Guild of Australia (National Secretariat)	931,367	905,796	931,367	905,796
The Pharmacy Guild of Australia (WA)	-	362	-	362
Guild Insurance Ltd	16,032	14,267	16,032	14,267
Guild Group Holding Ltd	31,261	7,890	31,261	7,890
Pharmacy Computers Australia Pty Ltd	-	-	-	24,000
The Guild Properties (Victoria) Unit Trust	-	-	346,013	324,031
FRED IT Group Pty Ltd	41	2,791	41	2,791
	<u>978,701</u>	<u>931,106</u>	<u>1,324,714</u>	<u>1,279,137</u>

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	Consolidated		Parent	
	2020	2019	2020	2019
	\$	\$	\$	\$
Wages and salaries	418,038	425,610	418,038	425,610
Superannuation	42,169	41,915	42,169	41,915
Leave & other entitlements	16,241	5,801	16,241	5,801
Separation & redundancies	-	-	-	-
Branch Committee allowances	3,000	3,000	3,000	3,000
	<u>479,448</u>	<u>476,326</u>	<u>479,448</u>	<u>476,326</u>

NOTE 20 KEY MANAGEMENT PERSONNEL

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

NOTE 21 CONTROLLED ENTITIES CONSOLIDATED

Subsidiaries or associated entities of The Pharmacy Guild of Australia, Victoria	Country of incorporation	Percentage Owned (%)	
		2020	2019
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
<hr/>			
Associates of The Pharmacy Guild of Australia, Victoria	Country of incorporation	Percentage Owned (%)	
		2020	2019
FRED IT Group Pty Ltd	Australia	35	35
		2020	2019
		\$	\$

NOTE 22 AUDITOR'S REMUNERATION

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

	-	55,610
	<u><u> </u></u>	<u><u> </u></u>

Amounts received or due and receivable by Pitcher Partners (Melbourne) for:

An audit of the financial report of the entity and any other entity in the consolidated group

	45,000	-
	<u><u> </u></u>	<u><u> </u></u>

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 23 CAPITAL AND LEASING COMMITMENTS

a) Operating leases commitments - as lessee

Commitments for minimum operating lease payment on motor vehicles are payable as follows:

	Consolidated	Parent
	2019	2019
	\$	\$
Within one year	19,233	19,233
After one year but not more than five years	16,032	16,032
Total minimum lease payments	<u>35,265</u>	<u>35,265</u>

No amounts have been shown above in relation to operating leases for 30 June 2020 as this amount is now recognised as right-of-use assets and lease liabilities from 1 July 2019 as a result of adopting the new accounting standard AASB 16. Refer to Note 11 for further details.

b) Operating lease commitments - as lessor

The group has entered into operating leases on its investment property. 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	
	2020	2019
	\$	\$
Within one year	536,885	573,624
After one year but not more than five years	47,923	542,479
Total minimum lease payments	<u>584,808</u>	<u>1,116,103</u>

c) Capital commitments

There were no capital commitments as at 30 June 2020. (30 June 2019: Nil).

NOTE 24 EVENTS SUBSEQUENT TO REPORTING DATE

As a result of the evolving nature of the COVID-19 outbreak and the rapidly evolving government policies of restrictive measures put in place to contain it, as at the date of these financial statements, the Branch is not in a position to reasonably estimate the financial effects of the COVID-19 outbreak on the future financial performance and financial position of the Branch. Other than the current disclosures, there has not been any other matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Branch, the results of those operations, or the state of affairs of the Branch in subsequent financial periods.

NOTE 25 ENTITY DETAILS

The registered office of the group is:
The Pharmacy Guild of Australia, Victoria
Guild House, 40 Burwood Road
Hawthorn VIC 3122

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 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) a restructure of the branches of the organisation; or
- b) a determination by the General Manager under subsection 245(1) of the RO Act of an alternative reporting structure for the organisation; or
- c) 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 (2019: Nil).

(c) Recovery of wages activity

The Pharmacy Guild of Australia, Victoria has not undertaken any recovery of wages activity during the financial year ended 30 June 2020.

(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 organisations or any international body having an interest in industrial matters;
- (iii) compulsory levies imposed on the Branch.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 27: INFORMATION TO BE PROVIDED TO MEMBERS OF GENERAL MANAGER

In accordance with the requirements of the Fair Work (Registered Organisation) Act 2009, the attention of members is drawn to the provisions of subsections (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).

PHARMACY GUILD OF AUSTRALIA, VICTORIA
ABN: 35 603 508 734

REPORT REQUIRED UNDER SUBSECTION 255(2A)
FOR THE YEAR ENDED 30 JUNE 2020

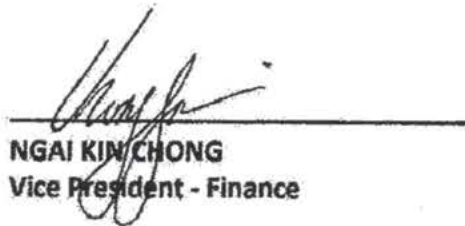
The Committee of Management presents the expenditure report as required under subsection 255(2A) for the year ended 30 June 2020.

	Consolidated		Parent	
	2020	2019	2020	2019
	\$	\$	\$	\$
Categories of Expenses				
Remuneration and other employment-related costs and expenses - employees	2,516,247	2,696,934	2,516,247	2,696,934
Advertising	-	-	-	-
Operating costs	1,016,703	1,142,792	955,900	1,090,069
Donations to political parties	6,882	341,258	6,882	341,258
Legal costs	<u>33,017</u>	<u>67,932</u>	<u>23,876</u>	<u>60,142</u>
	<u>3,572,849</u>	<u>4,248,916</u>	<u>3,502,905</u>	<u>4,188,403</u>



ANTHONY TASSONE
Branch President

1 September 2020



NGAI KIN CHONG
Vice President - Finance

COMMITTEE OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 30 JUNE 2020

On 1 September 2020, 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 2020,

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

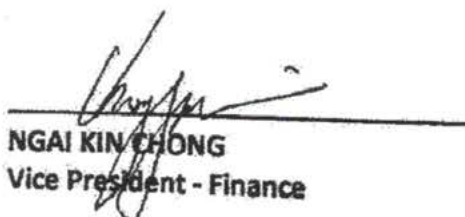
- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the RO Act);
- (c) the 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 2020;
- (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 by a member of The Pharmacy Guild of Australia, Victoria or the Commissioner duly made under section 272 of the RO Act, that information 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 Fair Work Commission under section 273 of the RO Act, there has been compliance.

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



ANTHONY FASSONE
Branch President

1 September 2020



NGAI KIN CHONG
Vice President - Finance

OFFICER DECLARATION

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 2020.

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

Dated this 1ST (FIRST) day of September 2020

PHARMACY GUILD OF AUSTRALIA, VICTORIA
ABN: 35 603 508 734

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 ("the Guild"), which comprises the statements of financial position as at 30 June 2020, the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, the Committee of Management Statement, the subsection 255 (2A) report and and the Officer Declaration Statement.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the Guild as at 30 June 2020, and its financial performance and its cash flows for the year then ended in accordance with the financial reporting requirements of the Australian Accounting Standards and 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)..

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 (including Independence Standards)* "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.

Other Information

The Committee of Management are responsible for the other information. The other information comprises the information included in the Guild's annual report and the Operating Report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon.

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

PHARMACY GUILD OF AUSTRALIA, VICTORIA
ABN: 35 603 508 734

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF THE PHARMACY GUILD OF AUSTRALIA, VICTORIA

Other Information (Continued)

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 are responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the applicable legislation and for such internal control as management determines is necessary to enable the preparation and fair presentation of a financial report that 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 relating to going concern and using the going concern basis of accounting unless the Committee of Management either intends to liquidate the Guild or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Guild's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are 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 the 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 this financial report.

PHARMACY GUILD OF AUSTRALIA, VICTORIA
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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF THE PHARMACY GUILD OF AUSTRALIA, VICTORIA

Auditor's Responsibilities for the Audit of the Financial Report (Continued)

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement 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.

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TO THE MEMBERS OF THE PHARMACY GUILD OF AUSTRALIA, VICTORIA

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



D A KNOWLES

Partner



PITCHER PARTNERS

Melbourne

Registration number (as registered by the RO Commissioner under the RO Act): AA2017/242

Date 1 September 2020