



FAIR WORK
COMMISSION

22 February 2013

Zoe Mullen
President
The Pharmacy Guild of Australia
WA Branch

By email: reception@wa.guild.org.au

CC: Janice Godsall by email: jgodsall@wa.guild.org.au

Dear Ms Mullen,

Re Financial Report for The Pharmacy Guild of Australia - WA Branch for year ended 30 June 2012 - FR2012/272

I acknowledge receipt of the financial report of The Pharmacy Guild of Australia - WA Branch for year ended 30 June 2012. The documents were lodged with Fair Work Australia on 14 November 2012 with further information supplied on 29 and 30 November 2012 in response to Fair Work Australia correspondence.

The financial report has now been filed.

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

1. Timeliness

I confirm the lodgement of the Loans, Grants and Donations statement and note that an extension of time has been granted. This form is normally lodged within 90 days of the end of the financial year.

If required in future years, the statement must be lodged by 28 September 2013.

An extension of time was also approved for the lodgement of the General Purpose Financial Report itself. There are a number of deadlines that must be met by an organisation in preparing the financial reports, including that the report be lodged with the Fair Work Commission within 14 days of the meeting required by section 266 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act).

Information on the timelines is available on the [Fair Work Commission website](#).

2. Operating Report

Section 254 of the RO Act requires an organisation to prepare an Operating Report that provides a review of the branch's principal activities, the result of those activities and any significant changes to those activities.

The Operating Report in the 2012 General Purpose Financial Report provides a financial result of the principal activities. The financial information is available in the statements and the following notes. Consequently, the Operating Report is requesting a *descriptive* and not a financial result of the outcomes of the organisation's principal activities.

I note that this has been drawn to your attention by Fair Work Australia employees following previous lodgements.

3. The benefits paid to officers and employees

Your further information on the breakdown of leave and superannuation provided to officers and employees (other than holders of office) was prompt and contained the relevant information.

Please ensure in future years that this information is displayed separately in the General Purpose Financial Report.

4. Grants

The Reporting Guidelines requires that an organisation state in their General Purpose Financial Report either in the statement of comprehensive income or in the subsequent notes, any grant revenue.

In the 2012 report you provided a single figure for 'project and grant income'. Please separate out the information for grant income in the 2013 report.

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on 03 8661 7974 or by email at catherine.bebbington@fwc.gov.au.

Yours sincerely



CATHERINE BEBBINGTON
Regulatory Compliance Branch

Fair Work Commission

Tel: 03 8661 7974

Fax: 03 9655 0410

catherine.bebbington@fwc.gov.au

11 Exhibition Street, Melbourne Victoria 3000
GPO Box 1994, Melbourne Victoria 3001

www.fwc.gov.au



FAIR WORK
COMMISSION

19 February 2013

Zoe Mullen
President
The Pharmacy Guild of Australia
Western Australian Branch

By email: reception@wa.guild.org.au

CC: Janice Godsall by email: jgodsall@wa.guild.org.au

Dear Ms Mullen,

**Sections 237 and 268 Fair Work (Registered Organisations) Act 2009 (RO Act)
Statement of loans, grants and donations exceeding \$1000 during financial year ended
30 June 2012 and requirement to lodge full report with Fair Work Australia (FR2012/272)**

I acknowledge receipt of the statement of loans, grants and donations exceeding \$1,000 made by The Pharmacy Guild of Australia - Western Australian Branch during the financial year ended 30 June 2012. The full report and Loans, Grants and Donations statement were lodged with Fair Work Australia (FWA) on 14 November 2012 and 29 November 2012 respectively.

The Branch was informed on 23 November 2012 that the statement was not lodged within 90 days after the end of the financial year, as required by subsection 237 (1) of the *Fair Work (Registered Organisations) Act 2009* (the RO Act).

The Branch was also informed at the same time that the full report was not lodged with Fair Work Australia within 14 days of the general meeting, as required by section 268 of the RO Act.

On 29 November 2012 FWA received your applications dated 29 November 2012 requesting extensions of time for lodgement of the statement and the full report. You have advised that the delay was caused by IT issues arising from a malicious computer virus.

Having considered the reason for the late lodgement, I allow an extension to 29 November 2012 for lodgement of the statement and until 14 November 2012 for lodgement of the full report.

The statement has been placed on a file that is not available to the general public but may be inspected during office hours by a member of your organisation in accordance with s237(4) of the RO Act.

If you have any queries please contact Catherine Bebbington on (03) 8661 7974 or catherine.bebbington@fwc.gov.au.

Yours sincerely

Ailsa Carruthers
Delegate of the General Manager
Fair Work Commission



**The Pharmacy
Guild of Australia**

30 November 2012

Fair Work Australia
G P O Box 1994
MELBOURNE, VI 3001

Attention: Catherine Bebbington

**Re: Financial report of The Pharmacy Guild of Australia – WA Branch for the year end 30 June 2012
(FR2012/272)**

Dear Ms Bebbington

Please find attached a schedule addressing of the issues noted by Fair Work Australia in an effort to satisfactory lodge the above named report for the year end 30 June 2012.

Thank you.

Yours sincerely

Zoe Lenette Mullen
President

Western Australia Branch

1322 Hay Street, West Perth WA 6005
PO Box 968, West Perth WA 6872
Telephone: +61 8 9429 4100 • Fax: +61 8 9324 2075
Email: reception@wa.guild.org.au • Website: www.guild.org.au

The Pharmacy Guild of Australia (WA Branch)
Appendix to Financial Report
For the year ended 30 June 2012

Response to issues highlighted by Fair Work Australia (FR2012/272)

1. Loans, grants and donations

- LGD template submitted email 29/11/12

2. Time frames

- Request for extension letter submitted under separate email 29/11/12

3. Related Parties transactions

- Auditors confirmed Identity of Related party and nature has been addressed in accordance with AASB124(18)“The Pharmacy Guild of Australia, National Secretariat” The nature of the relationship is also addressed “normal commercial terms and conditions” . Notes that should have been included:
- Subscriptions and Other Receivables of \$159,074(Note 5) there is included an amount owing from the National Secretariat of \$80,862.
- Trade Payables of \$31,044 (note 9) there is included an amount payable to the national secretariat of \$3,948.

4. Employee Benefits

- Breakdown of benefits to Officers and employees are as follows:

Benefits		2012	2011
Officers	Wages	\$ 102,246	\$ 90,559
	Superannuation	\$ 11,225	\$ 10,896
	Annual & LSL	\$ 16,796	\$ 6,016
Employees (other than officers)			
	Wages	\$ 1,100,577	\$ 983,216
	Superannuation	\$ 98,737	\$ 92,803
	Annual & LSL	-\$ 20,781	\$ 11,136

5. Monies to and from National Office

- As stated in the Cashflow from operations \$272,216 was received from the National Secretariat. Disclosed on note 2 Revenue \$462,917 was received for Program and Grant Income. The remaining \$109,299 forms part of General Fund Income and relates to:
 - Commission \$ 10,064
 - Re-imburement of President time to attend meeting etc \$ 14,220
 - Re-imburement of Travel associated costs to attend meetings
 Flights, accommodation, meals, taxi's, registrations etc
 And various seminars relating to National Secretariat \$ 85,015



**The Pharmacy
Guild of Australia**

29 November 2012

Fair Work Australia
G P O Box 1994
MELBOURNE, VI 3001

Attention: Catherine Bebbington

**Re: Financial report of The Pharmacy Guild of Australia – WA Branch for the year end 30 June 2012
(FR2012/272) – Request Extension to Lodge**

Dear Ms Bebbington

We request a Lodgement Extension for the above named entity for the named financial report and period. Due to IT issues in the form of malicious computer virus the lodgement date was not flagged for action and as such was overlooked.

The points requiring further clarification are being looked at as a priority and submitted once finalised.

Thank you.

Yours sincerely

Zoe Lenette Mullen
President

Western Australia Branch

1322 Hay Street, West Perth WA 6005
PO Box 968, West Perth WA 6872
Telephone: +61 8 9429 4100 • Fax: +61 8 9324 2075
Email: reception@wa.guild.org.au • Website: www.guild.org.au



FAIR WORK
AUSTRALIA

23 November 2012

Zoe Mullen
President
The Pharmacy Guild of Australia
WA Branch

By email: reception@wa.guild.org.au

CC: Janice Godsall by email: jgodsall@wa.guild.org.au

Dear Ms Mullen

Re: Financial report of The Pharmacy Guild of Australia - WA Branch for the year ended 30 June 2012 (FR2012/272)

I acknowledge receipt of the financial report of The Pharmacy Guild of Australia - WA Branch for the year ended 30 June 2012. The documents were lodged with Fair Work Australia on 14 November 2012.

The report has not been filed.

I write to request clarification of the following issues prior to the filing of the General Purpose Financial Report.

1. Loans, grants and donations

Under subsection 237(1) of the *Fair Work (Registered Organisations) Act 2009* (the RO Act), if an individual loan, grant or donation made by a branch exceeds \$1,000 a statement showing the relevant particulars of each must be lodged with Fair Work Australia (FWA) within 90 days of the end of the financial year.

The financial statements disclose donations of \$16,847 during the financial year.

Please confirm that none of these donations exceeded \$1000, or should this not be correct, please lodge with Fair Work Australia a statement of [Loans, Grants and Donations](#) as soon as possible. The statement should include a request for an extension of the 90 day deadline, signed and dated by the relevant officer, outlining the reason for the delay in lodgement.

2. Time frames

A General Purpose Financial Report is required to be lodged with Fair Work Australia within 14 days of the meeting of members. The Designated Officer's Certificate indicates that this meeting occurred on 25 September 2012. If this is correct the General Purpose Financial Report should have been lodged with Fair Work Australia by 9 October 2012.

The General Purpose Financial Report was lodged on 14 November 2012.

If these dates are correct the General Purpose Financial Report will require an extension of time. Please provide a written request for an extension of time, signed by a relevant officer, including any reason for the delay.

3. Related Party transactions

The General Purpose Financial Report states that transactions with related parties were "on normal commercial terms and conditions".

Fair Work Australia requires further information concerning related party transactions within a General Purpose Financial Report. These details include the identity of the party, the nature of

the relationship and the amount of the transaction. Additional required details are available in AASB124(18). The AASB specifically identifies the sale or purchase of goods and the provision of services as transactions that are to be disclosed if the parties are related.

Please provide details of related party transactions that occurred sufficient to satisfy the requirements of AASB124(18).

4. Employee benefits

The financial statements have disclosed wages for employees, but are unclear on whether wages, superannuation, annual leave or long service leave were provided for officers. The Reporting Guidelines requires that all employee and officer benefits are reported separately.

Please provide a breakdown of these figures for officers and for employees (other than holders of office).

This information will need to be provided to the members of the organisation before Fair Work Australia is able to file the report.

5. Monies to and from the National Office

The notes to the cash flow statement indicate the branch received \$572,216 from the national office during the financial year. This figure does not obviously appear in the revenue of the organisation.

Please provide details of how these figures are classified in the statement of Comprehensive Income, or please confirm the revenue was not accrued in this financial year.

Summary

Accordingly, in order to secure compliance with your obligations under the RO Act, please:

- lodge a Loans, Grants and Donations statement, including a request for an extension of time, with FWA, if required, or confirm in writing that none of the donations exceeded \$1000.
- lodge a written request for an extension of time, signed by the relevant officer and including any reasons for the delay between the date of the meeting and the lodging of the General Purpose Financial Report with Fair Work Australia.
- provide further pertinent details in relation to the related party transactions.
- provide a breakdown of wages and other benefits paid; identifying separately benefits to officers and to employees (other than officers).
- provide any breakdown of benefits and details of related party transactions to the membership and Fair Work Australia including a statement confirming the manner and date of provision.
- provide additional details concerning the \$572,216 from the National Office.

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on 03 8661 7988 or by email at catherine.bebbington@fwa.gov.au

Yours sincerely



CATHERINE BEBBINGTON

Regulatory Compliance Branch

Fair Work Australia

Tel: 03 8661 7988

Fax: 03 9655 0410

catherine.bebbington@fwa.gov.au

11 Exhibition Street, Melbourne Victoria 3000

GPO Box 1994, Melbourne Victoria 3001

www.fwa.gov.au

Designated Officer's Certificate or other Authorised Officer

s268 Fair Work (Registered Organisations) Act 2009

I *ZOE LENETTE MULLEN* being the *PRESIDENT* of the *PHARMACY GUILD OF AUSTRALIA (WA BRANCH)* certify:

- that the documents lodged herewith are copies of the full report, referred to in s268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the 2012 ANNUAL REPORT AND FINANCIAL REPORT for the year end 30 June 2012, was provided to members on 3 SEPTEMBER 2012; and
- that the full report was presented to a *general meeting of members* of the reporting unit on 25 SEPTEMBER 2012; in accordance with section 266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature



Date:

16/10/12.

¹*The relevant regulations prescribe the designated officer for the purpose of s268 of the Fair Work (Registered Organisations) Act 2009 as:*

(a) the secretary; or

(b) an officer of the organisation other than the secretary who is authorised by the organisation or by the rules of the organisation to sign the certificate mentioned in that paragraph.

²*Only applicable where a concise report is provided to members*

³*Insert whichever is applicable*

**THE PHARMACY GUILD OF AUSTRALIA
WESTERN AUSTRALIAN BRANCH**

**ANNUAL REPORT PART II
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2012**

THE PHARMACY GUILD OF AUSTRALIA WESTERN AUSTRALIAN BRANCH

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THE PHARMACY GUILD OF AUSTRALIA WESTERN AUSTRALIAN BRANCH

COMMITTEE OF MANAGEMENT STATEMENT

On 18 August 2012 the Committee of Management of The Pharmacy Guild of Australia WA Branch passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30 June 2012:

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 the reporting guidelines of the General Manager of FWA;
- (c) The financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) There are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (e) During the financial year to which the GPFR relates and since the end of that year:
 - i. Meetings of the committee of management were held in accordance with the rules of the organization including the rules of a branch concerned; and
 - ii. The financial affairs of the reporting unit have been managed in accordance with the rules of the organization including the rules of a branch concerned; and
 - iii. The financial records of the reporting unit have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009 and the Fair Work (Registered Organisations) Regulations 2009; and
 - iv. Where the organization consists of 2 or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organization; and
 - v. The information sought in any request of a member of the reporting unit or a General Manager of FWA duly made under section 272 of the Fair Work (Registered Organisations) Act 2009 has been furnished to the member or General Manager of FWA; and
 - vi. There has been compliance with any order for inspection of financial records made by the Commission under section 273 of the Fair Work (Registered Organisations) Act 2009.

For Committee of Management: Zoe Lenette Mullen

Title of Office Held: President

Signature



Dated: 18 August 2012

THE PHARMACY GUILD OF AUSTRALIA WESTERN AUSTRALIAN BRANCH

OPERATING REPORT

I, ZOE LENETTE MULLEN, being the designated officer responsible for preparing this report for the financial year ended 30 June 2012 of The Pharmacy Guild of Australia Western Australian Branch, report as follows:

1. Principal Activities:

- a) The Pharmacy Guild of Australia Western Australian Branch is an employers' organisation servicing the needs of proprietors of independent community pharmacies and to represent their interests in industrial matters.
- b) The Pharmacy Guild of Australia Western Australian Branch assists 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.
- c) Included in the Annual Report are the various reports compiled by The Pharmacy Guild of Australia Western Australian Branch's President and Director outlining the activities for the year. There were no significant changes in the nature of these activities during the year under review.

2. Significant financial changes:

There have been no significant changes in The Pharmacy Guild of Australia Western Australian Branch's financial affairs during the period to which this report relates.

3. Operating Results

The profit for the year amounted to \$640,415 (2011: \$697,531)

A review of the activities of the Branch including results of operations during the year is set out in the Presidents and Directors reports in part I of the Annual Report.

4. Members Advice:

- a) Under Section 174 of the Fair Work (Registered Organisations) Act 2009, a member may resign from a membership by written notice addressed and delivered to the Branch Director (Rule 36 of the Constitution);
- b) The register of members of the organization was maintained in accordance with the Fair Work (Registered Organisations) Act 2009;
- c) Section 272 of the Fair Work (Registered Organisations) Act 2009 outlines members and the General Manager of FWA's rights to certain prescribed information.

5. Prescribed and other Information:

- a) As at 30 June 2012 to which this report relates the number of members of the organisation was 483 including Honorary Life Members;
- b) As at 30 June 2012 the total number of employees employed by the reporting entity was 17.
- c) The persons who have been members of the committee of management of The Pharmacy Guild of Australia Western Australian Branch during the reporting period are:

Branch Executive

Zoe Lenette Mullen

Harry Zafer

Stephen Wragg

Natalie Willis

President

National Councillor

Vice President Finance

Vice President

**THE PHARMACY GUILD OF AUSTRALIA
WESTERN AUSTRALIAN BRANCH**

OPERATING REPORT CONTINUED

Branch Committee

Bruce Warland	Great Southern Country
Vivien Hudson	North Coast Metro (to 30 September 2011)
Paul Rees	North Coast Metro (from 1 October 2011)
Paul Jardine	South Eastern Metro
Andrew Ngeow	Eastern Country
Paul Rees	Northern Country District (to 30 September 2011)
Anthony Masi	Northern Country District (from 1 October 2011)
Lenette Mullen	Fremantle Melville
Ernie Pirone	Northern Metro
David Manuel	Perth City
Chirag Shah	South Coastal Metro (to 30 September 2011)
Tom Golovoda	South Coastal (from 1 October 2011)
Adrian Staltari	Eastern Metropolitan
Natalie Willis	South Perth Metro
Stephen Wragg	North Eastern Metro
Harry Zafer	West Coast Metro
Linda Keane	South West Country

No officer or member of the reporting unit holds a position as a trustee or director of a superannuation entity or exempt public sector superannuation scheme where the criterion for holding such position is that they are an officer or member of an organisation.

6. Insurance of Officers:

During the financial year, The Pharmacy Guild of Australia Western Australian Branch paid insurance to cover all officers of The Pharmacy Guild of Australia Western Australian Branch. The officers of The Pharmacy Guild of Australia Western Australian Branch covered by the insurance policy include all the committees of management. Other officers covered by the contract are the management of The Pharmacy Guild of Australia Western Australian Branch. 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 Western Australian Branch



ZOE LENETTE MULLEN
Date: 18 August 2012

**THE PHARMACY GUILD OF AUSTRALIA
WESTERN AUSTRALIAN BRANCH**

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2012**

	NOTE	2012 \$	2011 \$
Revenue	2	3,561,980	3,219,426
Employee benefits expense		(1,308,800)	(1,194,626)
Depreciation and amortisation expense		(50,244)	(40,010)
Other expenses		(1,562,521)	(1,287,259)
		<hr/>	<hr/>
Profit for the year		640,415	697,531
		<hr/>	<hr/>
Other Comprehensive Income			
Revaluation of land and building		-	2,075,000
		<hr/>	<hr/>
Total Comprehensive Income		<u>640,415</u>	<u>2,772,531</u>

The accompanying notes form part of these financial statements.

**THE PHARMACY GUILD OF AUSTRALIA
WESTERN AUSTRALIAN BRANCH**

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2012**

	NOTE	2012 \$	2011 \$
CURRENT ASSETS			
Cash and cash equivalents	4	4,080,247	3,641,870
Trade and other receivables	5	159,074	174,002
Inventories	6	-	-
Other current assets	7	126,214	77,642
		<hr/>	<hr/>
Total Current Assets		4,365,535	3,893,514
NON CURRENT ASSETS			
Trade and other receivables	5	-	10,000
Property, plant and equipment	8	4,373,234	4,323,164
		<hr/>	<hr/>
Total Non Current Assets		4,373,234	4,333,164
		<hr/>	<hr/>
TOTAL ASSETS		8,738,769	8,226,678
CURRENT LIABILITIES			
Trade and other payables	9	1,272,231	1,362,469
Short term provisions	10	42,910	97,580
		<hr/>	<hr/>
Total Current Liabilities		1,315,141	1,460,049
NON CURRENT LIABILITIES			
Long term provisions	10	48,214	31,630
Trade and other payables	9	36,460	36,460
		<hr/>	<hr/>
Total Non Current Liabilities		84,674	68,090
		<hr/>	<hr/>
TOTAL LIABILITIES		1,399,815	1,528,139
		<hr/>	<hr/>
NET ASSETS		7,338,954	6,698,539
EQUITY			
Reserves		3,898,605	3,898,605
Retained earnings		3,440,349	2,799,934
		<hr/>	<hr/>
TOTAL EQUITY		7,338,954	6,698,539
		<hr/> <hr/>	<hr/> <hr/>

The accompanying notes form part of these financial statements.

**THE PHARMACY GUILD OF AUSTRALIA
WESTERN AUSTRALIAN BRANCH**

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2012**

	Retained Earnings General \$	Retained Earnings Special Projects \$	Capital Equipment Replacement Reserve \$	Capital Building Reserve \$	Asset Revaluation Reserve \$	Total \$
Balance at 30 June 2010	792,647	1,409,756	154,348	416,297	1,152,960	3,926,008
Profit for the year	404,555	292,976	-	-	-	697,531
Revaluation of land and building					2,075,000	2,075,000
Transfer from general funds	(600,000)	500,000	-	100,000	-	-
Transfer to general funds	-	-	-	-	-	-
Balance at 30 June 2011	597,202	2,202,732	154,348	516,297	3,227,960	6,698,539
Profit for the year	373,503	266,912	-	-	-	640,415
Transfer from general funds	(500,000)	500,000	-	-	-	-
Transfer to general funds	-	-	-	-	-	-
Balance at 30 June 2012	470,705	2,969,644	154,348	516,297	3,227,960	7,338,954

The accompanying notes form part of these financial statements.

**THE PHARMACY GUILD OF AUSTRALIA
WESTERN AUSTRALIAN BRANCH**

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2012**

	NOTE	2012 \$	2011 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members		3,396,581	3,094,737
Payments to suppliers and employees		(3,048,217)	(2,196,087)
Interest received		190,327	147,898
		<hr/>	<hr/>
Net cash provided by operating activities	16	538,691	1,046,548
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant & equipment		-	22,637
Purchase of property, plant & equipment		(100,314)	(98,580)
		<hr/>	<hr/>
Net cash provided by (used in) investing activities		(100,314)	(75,943)
		<hr/>	<hr/>
Net increase/(decrease) in cash held		438,377	970,605
Cash at beginning of the year		3,641,870	2,671,265
		<hr/>	<hr/>
Cash at end of year	4	<u>4,080,247</u>	<u>3,641,870</u>

The accompanying notes form part of these financial statements.

THE PHARMACY GUILD OF AUSTRALIA WESTERN AUSTRALIAN BRANCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

The financial report covers The Pharmacy Guild of Australia, Western Australian Branch as an individual entity. The Pharmacy Guild of Australia, Western Australian Branch is an organization registered under the Fair Work (Registered Organisations) Act 2009. The nature of the operations and the principal activities of the Branch are described in the Operating Report.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

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

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

a. Income Tax

The Pharmacy Guild of Australia, Western Australia Branch is exempt from income tax under section 50-15 of the Income Tax Assessment Act 1997.

b. Inventories

Inventories consist of stock of unsold product, measured at the lower of cost or net realisable value. The cost of inventories includes all direct costs of acquisition. Costs are assigned on the basis of weighted average cost.

c. Property, Plant & 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.

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by the committee to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

THE PHARMACY GUILD OF AUSTRALIA WESTERN AUSTRALIAN BRANCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

c. Property, Plant & Equipment (Cont)

The depreciable amount of plant and equipment is depreciated on a straight line basis over their useful lives to the Organization commencing from the time the asset is held ready for use. Leaschold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Office equipment	15%
Office furniture	10%
Motor vehicles	15%
Computer equipment	33 1/3%
Structural improvements	2.5%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance date.

The asset's carrying value is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

d. Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset but not the legal ownership are transferred to entities in the economic entity are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

THE PHARMACY GUILD OF AUSTRALIA WESTERN AUSTRALIAN BRANCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

e. Financial Instruments

Initial Recognition and Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the organization becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transaction costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Classification and Subsequent Measurement

Financial assets at fair value through profit and loss

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in the fair value are included in profit or loss in the period in which they arise.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as such or that are not classified in any other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Impairment

At each reporting date, the Organization assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

THE PHARMACY GUILD OF AUSTRALIA WESTERN AUSTRALIAN BRANCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

e. Financial Instruments (Cont)

Derecognition

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

f. Impairment of Assets

At each reporting date, the Organisation reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the income statement.

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

g. Employee Benefits

Provision is made for the Organisation's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

h. Training Administration Fee

The training administration fee liability represents the amount refundable to employer members for the training administration fee originally charged to employer members.

i. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

THE PHARMACY GUILD OF AUSTRALIA WESTERN AUSTRALIAN BRANCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

j. Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue from the provision of membership subscriptions is recognised on a straight line basis over the financial year.

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

k. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Where applicable, receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

l. Key Estimates

(i) *Impairment*

The Organization assesses impairment at each reporting date by evaluation of conditions and events specific to the group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

m. Adoption of New and Revised Accounting Standards

During the current year the Organization adopted all of the new and revised Australian Accounting Standards and interpretations applicable to its operations which became mandatory. The adoption of these standards has not materially impacted on the recognition, measurement and disclosure of transactions entered into during the year, nor has it had any material impact on the financial statements of the Organization.

THE PHARMACY GUILD OF AUSTRALIA WESTERN AUSTRALIAN BRANCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

m. Adoption of New and Revised Accounting Standards (cont)

New Accounting Standards for Application in Future Periods

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the company. The company has decided not to early adopt any of the new and amended pronouncements. The company's assessment of the new and amended pronouncements that are relevant to the company but applicable in future reporting periods is set out below:

- AASB 9: Financial Instruments (December 2010) and AASB 2010-7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) (applicable for annual reporting periods commencing on or after 1 January 2013).

These Standards are applicable retrospectively and include revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments.

The key changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- simplifying the requirements for embedded derivatives;
- removing the tainting rules associated with held-to-maturity assets;
- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument;
- requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows; and
- requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarged, the entity is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss.

The company has not yet been able to reasonably estimate the impact of these pronouncements on its financial statements.

THE PHARMACY GUILD OF AUSTRALIA WESTERN AUSTRALIAN BRANCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

n. Adoption of New and Revised Accounting Standards (cont)

- AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 & 1052 and Interpretations 2, 4, 5, 15, 17, 127, 129 & 1052] (applicable for annual reporting periods commencing on or after 1 July 2013).

AASB 1053 establishes a revised differential financial reporting framework consisting of two tiers of financial reporting requirements for those entities preparing general purpose financial statements:

- Tier 1: Australian Accounting Standards; and
- Tier 2: Australian Accounting Standards – Reduced Disclosure Requirements.

Tier 2 of the framework comprises the recognition, measurement and presentation requirements of Tier 1, but contains significantly fewer disclosure requirements.

The amendments are not expected to significantly impact the company.

- AASB 2010-8: Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets (applies to periods beginning on or after 1 January 2012).

This Standard makes amendments to AASB 112: Income Taxes and incorporates Interpretation 121: Income Taxes – Recovery of Revalued Non-Depreciable Assets into AASB 112.

Under the current AASB 112, the measurement of deferred tax liabilities and deferred tax assets depends on whether an entity expects to recover an asset by using it or by selling it. The amendments introduce a presumption that an investment property is recovered entirely through sale. This presumption is rebutted if the investment property is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

The amendments are not expected to significantly impact the company.

AASB 10: Consolidated Financial Statements, AASB 11: Joint Arrangements, AASB 12: Disclosure of Interests in Other Entities, AASB 127: Separate Financial Statements (August 2011), AASB 128: Investments in Associates and Joint Ventures (August 2011) and AASB 2011-7: Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards (applicable for annual reporting periods commencing on or after 1 January 2013).

AASB 10 replaces parts of AASB 127 (March 2008, as amended) and Interpretation 112: Consolidation – Special Purpose Entities. AASB 10 provides a revised definition of control and additional application guidance so that a single control model will apply to all investees. The company has not yet been able to reasonably estimate the impact of this Standard on its financial statements.

THE PHARMACY GUILD OF AUSTRALIA WESTERN AUSTRALIAN BRANCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

m. Adoption of New and Revised Accounting Standards (cont)

AASB 11 replaces AASB 131: Interests in Joint Ventures (July 2004, as amended). AASB 11 requires joint arrangements to be classified as either “joint operations” (where the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities) or “joint ventures” (where the parties that have joint control of the arrangement have rights to the net assets of the arrangement). Joint ventures are required to adopt the equity method of accounting (proportionate consolidation is no longer allowed).

AASB 12 contains the disclosure requirements applicable to entities that hold an interest in a subsidiary, joint venture, joint operation or associate. AASB 12 also introduces the concept of a “structured entity”, replacing the “special purpose entity” concept currently used in Interpretation 112, and requires specific disclosures in respect of any investments in unconsolidated structured entities. This Standard will affect disclosures only and is not expected to significantly impact the company.

To facilitate the application of AASBs 10, 11 and 12, revised versions of AASB 127 and AASB 128 have also been issued. These Standards are not expected to significantly impact the company.

AASB 13: Fair Value Measurement and AASB 2011–8: Amendments to Australian Accounting Standards arising from AASB 13 (applicable for annual reporting periods commencing on or after 1 January 2013).

AASB 13 defines fair value, sets out in a single Standard a framework for measuring fair value, and requires disclosures about fair value measurement.

AASB 13 requires:

- inputs to all fair value measurements to be categorised in accordance with a fair value hierarchy; and
- enhanced disclosures regarding all assets and liabilities (including, but not limited to, financial assets and financial liabilities) measured at fair value.

These Standards are not expected to significantly impact the company.

- AASB 2011–9: Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income (applicable for annual reporting periods commencing on or after 1 July 2012).

The main change arising from this Standard is the requirement for entities to group items presented in other comprehensive income (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently.

This Standard affects presentation only and is therefore not expected to significantly impact the company.

- AASB 119: Employee Benefits (September 2011) and AASB 2011–10: Amendments to Australian Accounting Standards arising from AASB 119 (applicable for annual reporting periods commencing on or after 1 January 2013).

These Standards introduce a number of changes to accounting and presentation of defined benefit plans. The company does not have any defined benefit plans and so is not impacted by the amendment.

**THE PHARMACY GUILD OF AUSTRALIA
WESTERN AUSTRALIAN BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

m. Adoption of New and Revised Accounting Standards (cont)

AASB 119 (September 2011) also includes changes to:

- (a) require only those benefits that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service to be classified as short-term employee benefits. All other employee benefits are to be classified as either other long-term employee benefits, post-employment benefits or termination benefits, as appropriate; and
- (b) the accounting for termination benefits that require an entity to recognise an obligation for such benefits at the earlier of:
 - (i) where for an offer that may be withdrawn – when the employee accepts;
 - (ii) where for an offer that cannot be withdrawn – when the offer is communicated to affected employees; and
 - (iii) where the termination is associated with a restructuring of activities under AASB 137 and if earlier than the first two conditions – when the related restructuring costs are recognised.

These Standards are not expected to significantly impact the company.

	2012	2011
	\$	\$
2. REVENUE		
Operating Activities		
• General fund revenue	1,430,232	1,420,329
• Membership Subscriptions	1,136,177	1,007,021
• Program and Grant Income	462,917	313,257
• Special project fund revenue	342,327	327,921
• Interest received – general fund	109,773	85,378
• Interest received - special project fund	80,554	65,520
	3,561,980	3,219,426
Non-operating Activities	-	-
Total revenue	3,561,980	3,219,426

**THE PHARMACY GUILD OF AUSTRALIA
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

	2012	2011
	\$	\$
3. AUDITORS REMUNERATION		
Remuneration of the auditor for:		
Auditing or reviewing the financial report	13,000	12,000
Other services	4,000	3,500
	17,000	15,500
	17,000	15,500

	2012	2011
	\$	\$
4. CASH AND CASH EQUIVALENTS		
Cash at bank and in hand	4,080,247	3,641,870
Short term bank deposits	-	-
	4,080,247	3,641,870
	4,080,247	3,641,870

Reconciliation of cash

Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:-

Cash and cash equivalents - general	3,850,004	3,549,715
Cash and cash equivalents – special projects fund	230,243	92,155
Bank overdrafts	-	-
	4,080,247	3,641,870
	4,080,247	3,641,870

**THE PHARMACY GUILD OF AUSTRALIA
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

	2012 \$	2011 \$
5. TRADE AND OTHER RECEIVABLES		
CURRENT		
Subscriptions and other receivables	159,074	174,002
	<u>159,074</u>	<u>174,002</u>
Total current trade and other receivables	<u><u>159,074</u></u>	<u><u>174,002</u></u>
NON CURRENT		
Loan to Guild Shield Chemists	-	10,000
	<u>-</u>	<u>10,000</u>

Current trade receivables are non-interest bearing and generally are receivable with 90 days. A provision for impairment is recognised when there is objective evidence that an individual trade receivable is impaired. No impairment was required at 30 June 2012 (2011: Nil).

Credit Risk

The Organization has no significant concentration of credit risk with respect to any single counterparty or group of counterparties other than those receivables specifically provided for and mentioned within Note 5. The main source of credit risk to the Organization is considered to relate to the class of assets described as subscriptions receivable.

The following table details the Organization's subscriptions receivable exposed to credit risk with aging analysis and impairment provided thereon. Amounts are considered as 'past due' when the debt has not been settled within the terms and conditions agreed between the Organization and the member or 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 Organization.

The balance of receivables that remain within initial terms (as detailed in the table) are considered to be of acceptable credit quality.

	Gross Amount	Past due and impaired	Past due but not impaired (days overdue)				Within initial trade terms
			< 30	31 - 60	61 - 90	> 90	
	\$	\$	\$	\$	\$	\$	\$
2012 Subscriptions and other Receivables	159,074	-	11,103	1,680	20,096	-	126,195
	<u>159,074</u>	<u>-</u>	<u>11,103</u>	<u>1,680</u>	<u>20,096</u>	<u>-</u>	<u>126,195</u>
Total	<u><u>159,074</u></u>	<u><u>-</u></u>	<u><u>11,103</u></u>	<u><u>1,680</u></u>	<u><u>20,096</u></u>	<u><u>-</u></u>	<u><u>126,195</u></u>

**THE PHARMACY GUILD OF AUSTRALIA
WESTERN AUSTRALIAN BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

5. TRADE AND OTHER RECEIVABLES (CONT)

Credit Risk (Cont)

2011 Subscriptions and other Receivables	184,002	-	10,931	340	5,515	16,506	150,710
Total	<u>184,002</u>	<u>-</u>	<u>10,931</u>	<u>340</u>	<u>5,515</u>	<u>16,506</u>	<u>150,710</u>

The Organization does not hold any financial assets whose terms have been renegotiated, but which would otherwise be past due or impaired.

Collateral held as security

No collateral is held as security for any of the trade or other receivable balances.

		2012 \$	2011 \$
Financial assets classified as loans and receivables			
Trade and other receivables	Note		
- total current	17	159,074	174,002
- total non-current	17	-	10,000
Total		<u>159,074</u>	<u>184,002</u>

Collateral pledged

No collateral has been pledged for any of the trade and other receivable balances.

6. INVENTORIES

CURRENT

Stocks of stationery, packaging and signs	<u>-</u>	<u>-</u>
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**THE PHARMACY GUILD OF AUSTRALIA
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

7. OTHER CURRENT ASSETS

Prepayments	52,145	67,578
Accrued income	74,069	10,064
Accrued GST	-	-
	<hr/>	<hr/>
	126,214	77,642
	<hr/> <hr/>	<hr/> <hr/>

2012 **2011**
\$ **\$**

8. PROPERTY, PLANT & EQUIPMENT

Land & buildings

Opening independent valuation	3,901,105	1,825,000
Revaluation	-	2,075,000
Additions	-	1,105
	<hr/>	<hr/>

Closing independent valuation	3,901,105	3,901,105
	<hr/>	<hr/>

Office furniture & equipment

At cost	997,406	897,092
Accumulated depreciation	(571,819)	(530,286)
	<hr/>	<hr/>
	425,587	366,806
	<hr/>	<hr/>

Motor vehicles

At cost	58,073	58,073
Accumulated amortisation	(11,531)	(2,820)
	<hr/>	<hr/>
	46,542	55,253
	<hr/>	<hr/>

Total plant & equipment	472,129	422,060
	<hr/>	<hr/>

Total property, plant & equipment	<u>4,373,234</u>	<u>4,323,164</u>
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**THE PHARMACY GUILD OF AUSTRALIA
WESTERN AUSTRALIAN BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

8. PROPERTY, PLANT & EQUIPMENT (CONT)

The Organization's land & buildings were revalued in the previous financial year by independent valuers. Valuations were made on the basis of open market value. The revaluation surplus was credited to an asset revaluation reserve in the equity section of the balance sheet. No deferred tax was provided on the revaluation as The Pharmacy Guild of Australia, Western Australia Branch is exempt from income tax under section 50-15 of the Income Tax Assessment Act 1997.

Movement in carrying amounts

Movements in carrying amounts for each class of property, plant & equipment between the beginning and the end of the current financial year.

	Land & buildings \$	Office furniture & equipment \$	Motor vehicles \$	Total \$
Balance at the beginning of year	3,901,105	366,806	55,253	4,323,164
Additions	-	100,314	-	100,314
Depreciation & amortisation expense	-	(41,533)	(8,711)	(50,244)
Carrying amount at the end of year	<u>3,901,105</u>	<u>425,587</u>	<u>46,542</u>	<u>4,373,234</u>

	2012 \$	2011 \$
9. TRADE & OTHER PAYABLES		
CURRENT		

Trade payables	31,044	106,308
Training administration fees	77,700	80,640
Income received in advance	955,570	1,054,333
Accrued expenses	88,455	11,757
Accrued GST & PAYG withholding	119,462	109,431
	<u>1,272,231</u>	<u>1,362,469</u>

NON CURRENT

Rental Property Security Deposit	<u>36,460</u>	<u>36,460</u>
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The Income received in advance amount includes \$688,334 (2011: \$751,707) membership fees for the 2012/2013 year of which \$348,992 (2011: \$373,047) is payable to the National Secretariat.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

10. PROVISIONS

	Annual leave	Long service leave	Employee Incentive	Total
	\$	\$	\$	\$
Opening balance at 1 July 2011	63,480	31,630	34,100	129,210
Additional provisions	-	16,584	-	16,584
Amounts used	(20,570)	-	(34,100)	(54,670)
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 30 June 2012	42,910	48,214	-	91,124
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Analysis of total provision				2012
				\$
Current				42,910
Non current				48,214
				<hr/>
				91,124
				<hr/> <hr/>

Provision for long term employee benefits

A provision has been recognised for employee entitlements relating to long service leave. 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 on historical data. The measurement and recognition criteria relating to employee benefits has been included in Note 1 to this report.

11. RESERVES

General Reserves

The capital equipment replacement reserve and the capital building reserve record funds set aside for future expansion of the association.

Asset Revaluation Reserve

The asset revaluation reserve records revaluations of land and buildings.

12. CAPITAL & LEASING COMMITMENTS

Operating lease commitments

Payable – minimum lease payments	2012	2011
	\$	\$
- not later than 12 months	-	-
- between 12 months & 5 years	-	-
- greater than 5 years	-	-
	<hr/>	<hr/>
	-	-
	<hr/> <hr/>	<hr/> <hr/>

**THE PHARMACY GUILD OF AUSTRALIA
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**NOTES TO THE FINANCIAL STATEMENTS
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	2012	2011
	\$	\$

13. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Estimates of the potential effect of contingent liabilities that may become payable:

	-	-
	-	-

14. EVENTS AFTER THE BALANCE SHEET DATE

No significant events have occurred subsequent to the reporting date.

15. RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions.

During the year the organisation received funding as well as paid a percentage of membership subscriptions to The Pharmacy Guild of Australia, National Secretariat. Details of these cash flows are noted below.

16. CASHFLOW INFORMATION

	2012	2011
	\$	\$
Reconciliation of cash flow from operations with profit from ordinary activities after income tax:		
Profit after income tax	640,415	697,531
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit		
- Depreciation and amortisation	50,244	40,010
- Net Loss on Disposal of Property Plant and Equipment	-	3,777
Changes in assets and liabilities		
- (Increase)/decrease in trade and term debtors	24,928	23,216
- (Increase)/decrease in prepayments	15,433	(13,406)
- (Increase)/decrease in accrued income	(64,005)	142,167
- (Increase)/decrease in inventories	-	1,926
- Increase/(decrease) in trade and other payables	(100,269)	22,240
- Increase/(decrease) in employee benefits	(38,086)	18,252
- Increase/(decrease) in accrued GST	10,031	110,835
	538,691	1,046,548
Cash flow from operations	538,691	1,046,548

Cash flows to and from the National Secretariat were \$811,666 and \$572,216 respectively

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

17. FINANCIAL RISK MANAGEMENT

Financial risk management policies

The Organization's financial instruments consist mainly of deposits with banks, short term instruments, accounts receivable and payable.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2012 \$	2011 \$
Financial Assets			
Cash and cash equivalents	4	4,080,247	3,641,870
Loans and receivables	5	159,074	184,002
Other current assets	7	74,069	10,064
		4,313,390	3,835,936
		4,313,390	3,835,936
Financial Liabilities			
Trade and other payables	9	233,659	235,165
		233,659	235,165
		233,659	235,165

Financial Risk Management Policies

The Organization's Vice President Finance is responsible for, among other issues, monitoring and managing financial risk exposures of the Organization. The Vice President Finance monitors the association's transactions and reviews the effectiveness of controls relating to credit risk, financial risk and interest rate risk. The overall risk management strategy seeks to ensure that the association meets its financial targets, whilst minimising potential cash flow shortfalls.

Specific Financial Risk Exposure and Management

The main risks the Organization is exposed to through its financial instruments are interest rate risk, liquidity risk, credit risk and equity price risk.

a. **Interest rate risk**

The Organization is not exposed to any significant interest rate risk since cash balances are maintained at variable rates and borrowings of the Organization are not considered significant.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

17. FINANCIAL RISK MANAGEMENT (CONT)

Specific Financial Risk Exposure and Management (Cont)

b. Liquidity risk

Liquidity risk arises from the possibility that the Organization might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Organization 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.

The table below reflect an undiscounted contractual maturity analysis for financial liabilities. Cash flows realised from financial assets reflect management's expectations as to the timing of realisation. Actual timing may therefore differ from that disclosed.

Financial liability and financial assets maturity analysis

	Within 1 year		1 to 5 years		Over 5 years		Total	
	2012 \$	2011 \$	2012 \$	2011 \$	2012 \$	2011 \$	2012 \$	2011 \$
Financial liabilities								
Trade & sundry payables	197,199	198,705	36,460	36,460	-	-	233,659	235,165
Lease liabilities	-	-	-	-	-	-	-	-
Total financial liabilities	<u>197,199</u>	<u>198,705</u>	<u>36,460</u>	<u>36,460</u>	<u>-</u>	<u>-</u>	<u>233,659</u>	<u>235,165</u>
Financial assets								
Cash & cash equivalents	4,080,247	3,641,870	-	-	-	-	4,080,247	3,641,870
Short-term deposits	-	-	-	-	-	-	-	-
Trade & other receivables	159,074	174,002	-	10,000	-	-	159,074	184,002
Other current assets	74,069	10,064	-	-	-	-	74,069	10,064
Total financial assets	<u>4,313,390</u>	<u>3,825,936</u>	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>4,313,390</u>	<u>3,835,936</u>

Financial assets pledged as collateral

No financial assets have been pledged as security for any financial liability. Refer to Note 5 for further details.

c. Foreign exchange risk

The Organization is not exposed to fluctuations in foreign currencies.

THE PHARMACY GUILD OF AUSTRALIA WESTERN AUSTRALIAN BRANCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

17. FINANCIAL RISK MANAGEMENT (CONT)

Specific Financial Risk Exposure and Management (Cont)

d. Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Organization.

Credit risk is managed through maintaining procedures ensuring, to the extent possible, that members and counterparties to transactions are of sound credit worthiness. All subscriptions receivable are past due. 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.

Credit risk exposure

The maximum exposure to credit risk by class of recognised financial assets at balance date is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the balance sheet.

There is no collateral held by the Organization securing trade or other receivables.

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

e. Price risk

The Organization is not exposed to any material commodity price risk.

Net Fair Values

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the balance sheet. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Areas of judgement and the assumptions used have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded.

**THE PHARMACY GUILD OF AUSTRALIA
WESTERN AUSTRALIAN BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

17. FINANCIAL RISK MANAGEMENT (Cont)

Net Fair Values (Cont)

		2012		2011	
	Footnote	Net Carrying Value \$	Net Fair Value \$	Net Carrying Value \$	Net Fair Value \$
Financial assets					
Cash & cash equivalents	(i)	4,080,247	4,080,247	3,641,870	3,641,870
Trade & other receivables	(i)	159,074	159,074	184,002	184,002
Other current assets	(i)	74,069	74,069	10,064	10,064
		<u>4,313,390</u>	<u>4,313,390</u>	<u>3,835,936</u>	<u>3,835,936</u>
Total financial assets					
Financial liabilities					
Trade & sundry payables	(i)	233,659	233,659	235,165	235,165
		<u>233,659</u>	<u>233,659</u>	<u>235,165</u>	<u>235,165</u>
Total financial liabilities					

The fair values disclosed in the above table have been determined based on the following methodologies:

- (i) Cash and cash equivalents, trade and other receivables, other current assets and trade and other payables are short term instruments in nature whose carrying value is equivalent to fair value.

18. ORGANIZATION DETAILS

The registered office of the Organization is:

The Pharmacy Guild of Australia WA Branch
1322 Hay Street
West Perth WA 6005

The principal place of business of the Organization is:

The Pharmacy Guild of Australia WA Branch
1322 Hay Street
West Perth WA 6005

THE PHARMACY GUILD OF AUSTRALIA WESTERN AUSTRALIAN BRANCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

19. SEGMENT REPORTING

The Organization operates predominately in one business and geographical segment, being the pharmaceutical sector, providing industrial representative services to members of the Organization in Western Australia.

20. FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009 – SECTION 272 (5) NOTICE

Information to be provided to members or General Manager of FWA.

- (1) A member of a reporting unit, or the General Manager, may apply to the reporting unit for specified 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 to be 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).

Note: This subsection is a civil penalty provision (see section 305).

THE PHARMACY GUILD OF AUSTRALIA WESTERN AUSTRALIAN BRANCH

STATEMENT BY THE MEMBERS OF THE COMMITTEE

In the opinion of the committee the financial report as set out on pages 4 to 28;

1. Presents a true and fair view of the financial position of The Pharmacy Guild of Australia Western Australian Branch as at 30 June 2012 and its performance for the year ended on that date in accordance with Australian Accounting Standards, mandatory professional reporting requirements and other authoritative pronouncements of the Australian Accounting Standards Board.
2. At the date of this statement, there are reasonable grounds to believe that The Pharmacy Guild of Australia Western Australian Branch will be able to pay its debts as and when they fall due.

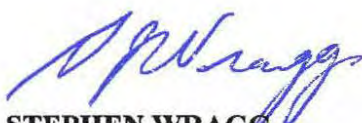
This statement is made in accordance with a resolution of the Committee and is signed for and on behalf of the Committee by:



ZOE LENETTE MULLEN

President

18/8/2012



STEPHEN WRAGG

Vice President of Finance

18/8/2012

Dated this 18th Day of August 2012

THE PHARMACY GUILD OF AUSTRALIA WESTERN AUSTRALIAN BRANCH

MOORE STEPHENS
ACCOUNTANTS & ADVISORS

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF THE PHARMACY GUILD OF AUSTRALIA, WESTERN AUSTRALIA BRANCH

Level 3, 12 St Georges Terrace
Perth WA 6000

PO Box 5785 St Georges Terrace
WA 6831

T +61 (0)8 9225 5355

F +61 (0)8 9225 6181

www.moorestephens.com.au

Report on the financial report

We have audited the accompanying financial report of The Pharmacy Guild of Australia, Western Australia Branch (the "Organization"), which comprises the statement of financial position as at 30 June 2012, and the statement of comprehensive income, detailed income and expenditure statement - general fund, detailed income and expenditure statement - special project fund, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes, the statement by the members of the committee and the committee of management statement.

Committees' responsibility for the financial report

The committee of the Organization is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Fair Work (Registered Organisations) Act 2009. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

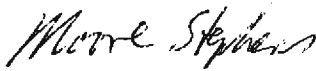
THE PHARMACY GUILD OF AUSTRALIA WESTERN AUSTRALIAN BRANCH

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF THE PHARMACY GUILD OF AUSTRALIA, WESTERN AUSTRALIA BRANCH

Auditor's opinion

In our opinion the financial report of The Pharmacy Guild of Australia, Western Australia Branch presents fairly, in accordance with applicable Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009, including:

- (i) giving a true and fair view of the Organization's financial position as at 30 June 2012 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the requirements imposed by the financial reporting guidelines issued by the General Manager of the Fair Work (Registered Organisations) Act 2009.



Moore Stephens
Chartered Accountants



Neil Pace
Partner

Dated this 18th day of August 2012

**THE PHARMACY GUILD OF AUSTRALIA
WESTERN AUSTRALIAN BRANCH**

**DETAILED INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2012
GENERAL FUND**

	2012	2011
	\$	\$
REVENUE		
Operating Activities		
Commission	196,631	191,700
Events & Public Relations Income	-	58
Gold Cross Service Commission	39,787	22,170
Members Services	503,995	389,259
Membership Subscriptions	1,136,177	1,007,021
Pharmacy Industry Training	642,520	745,943
Sundry Income	182,444	66,108
Interest Received	109,773	85,378
Pharmacy Forum	327,772	321,348
	<hr/>	<hr/>
TOTAL REVENUE	3,139,099	2,828,985
		<hr/>
EXPENDITURE		
Advertising	-	-
Auditing Fees	14,500	9,300
Bank Fees	5,477	4,867
Branch Committee Expenses	34,405	14,673
Depreciation - Office Equipment	20,363	13,709
- Motor Vehicles	8,711	14,715
Dispatch & Postage	16,065	16,291
EDP Maintenance & Support	14,200	10,988
Events & Public Relations Expenses	-	80
Insurance	33,948	30,444
Meeting Expenses	-	-
Members Services	354,246	259,083
Motor Vehicle	-	-
National Council Dues	670,671	588,652
Office Expenses	-	-
Payroll Tax	70,586	77,264
Parking/Taxi Expenses	-	-
Power and Light	14,967	14,298
Printing and Stationery	26,846	46,594
Professional Fees	19,941	21,887

**THE PHARMACY GUILD OF AUSTRALIA
WESTERN AUSTRALIAN BRANCH**

**DETAILED INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2012
GENERAL FUND**

	2012	2011
	\$	\$
Salaries – Employees	1,182,741	1,018,529
Staff Recruitment & Agency Temp Staff	3,798	-
Subscriptions & Seminars	-	-
Sundry Expenses & Staff Training	128,839	71,046
Superannuation	109,962	161,858
Telephone and Facsimile	22,785	22,605
Training Division Expenses	12,545	27,547
Travelling Expenses	-	-
Uniforms for Staff	-	-
	<hr/>	<hr/>
TOTAL EXPENDITURE	2,765,596	2,424,430
	<hr/>	<hr/>
Profit from General Fund for the year	373,503	404,555
	<hr/> <hr/>	<hr/> <hr/>

**THE PHARMACY GUILD OF AUSTRALIA
WESTERN AUSTRALIAN BRANCH**

**DETAILED INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2012
SPECIAL PROJECT FUND**

	2012	2011
	\$	\$
REVENUE		
Operating Activities		
Rent and Variable Outgoings Received	142,048	142,035
WA Industrial & Management Service Fee	198,404	184,317
Interest Received	80,554	62,520
Other Income	1,875	1,569
	422,881	390,441
EXPENDITURE		
Cleaning Services & Supplies	28,742	25,064
Depreciation	21,170	19,238
Donations	16,847	9,677
Industrial Costs	31,453	11,080
Legal Cover Expenses	36,065	7,408
Rates & Taxes	21,534	22,999
Sundry Expenses	158	2,000
	155,969	97,465
Profit from Special Projects Fund for the year	266,912	292,976