



13 January 2015

Ms Zoe Lenette Mullen
President
Pharmacy Guild of Australia, Western Australia Branch
1322 Hay Street
West Perth WA 6005

via e-mail: reception@wa.guild.org.au

Dear Ms Mullen

**Pharmacy Guild of Australia, Western Australia Branch
Financial Report for the year ended 30 June 2014 - FR2014/113**

I acknowledge receipt of the financial report for the year ended 30 June 2014 for the Pharmacy Guild of Australia, Western Australia Branch. The financial report was lodged with the Fair Work Commission (FWC) on 25 September 2014.

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

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 7675 or by email at ken.morgan@fwc.gov.au

Yours sincerely

Ken Morgan
Financial Reporting Advisor
Regulatory Compliance Branch


The Pharmacy Guild of Australia (WA Branch)

DESIGNATED OFFICER CERTIFICATE¹

Certificate for the period ended 30 June 2014

I, *Stephen Wragg* being the *President* of the *Pharmacy Guild of Australia (WA Branch)* certify:

- that the documents lodged herewith are copies of the full report for the *Pharmacy Guild of Australia (WA Branch)* for the period ended 30 June 2014 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the *2014 Annual Report and Financials for the year ended 30 June 2014* was provided to members of the reporting unit on 19 November 2014 and
- that the full report was presented to a *general meeting of members* of the reporting unit on 16 December 2014 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:.....

Name of prescribed designated officer: Stephen Wragg

Title of prescribed designated officer: President

Dated: 19 November 2014

¹ Regulation 162 of the Fair Work (Registered Organisations) Regulations 2009 defines a 'prescribed designated officer' of a reporting unit for the purposes of s.268(c) 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.

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

**FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2014**

THE PHARMACY GUILD OF AUSTRALIA WESTERN AUSTRALIAN BRANCH

INDEX	Page
Committee of Management Statement	1
Operating report	2 - 3
Statement of comprehensive income	4
Statement of financial position	5
Statement of changes in equity	6
Cash flow statement	7
Notes to the financial report	8 - 31
Committees' declaration	32
Independent audit report	33 - 34
Income and expenditure statement – General Fund	35
Income and expenditure statement – Special Project Fund	36

THE PHARMACY GUILD OF AUSTRALIA WESTERN AUSTRALIAN BRANCH

COMMITTEE OF MANAGEMENT STATEMENT

On 19 November 2014 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 2014:

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 FWC;
- (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 organisation 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 organisation 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 RO Act; and
 - iv. Where the organisation 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 organisation; and
 - v. Where information has been sought in any request by a member of the reporting unit or a General Manager of FWC duly made under section 272 of the RO Act has been provided to the member or General Manager of FWC; and
 - vi. There has been compliance with any order for inspection of financial records made by the Commission under section 273 of the RO Act;
- (f) No revenue has been derived from undertaking recovery of wages activity during the reporting period.

For Committee of Management: Stephen Wragg

Title of Office Held: President

Signature 

Dated: 19 November 2014

THE PHARMACY GUILD OF AUSTRALIA WESTERN AUSTRALIAN BRANCH

OPERATING REPORT

I, STEPHEN WRAGG, being the designated officer responsible for preparing this report for the financial year ended 30 June 2014 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 \$432,746 (2013: \$326,933)

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 organisation 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 FWC's rights to certain prescribed information.

5. Prescribed and other Information:

- a) As at 30 June 2014 to which this report relates the number of members of the organisation was 510 including Honorary Life Members;
- b) As at 30 June 2014 the total number of employees employed by the reporting entity was 19.
- 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 (to February 2014)
Vice President Finance & National Councillor
Vice President & Alternative National Councillor

THE PHARMACY GUILD OF AUSTRALIA WESTERN AUSTRALIAN BRANCH

OPERATING REPORT CONTINUED

Branch Committee

Bruce Warland	Great Southern Country (to 27 June 2014)
Paul Rees	North Coast Metro
Paul Jardine	South Eastern Metro
Andrew Ngeow	Eastern Country
Anthony Masi	Northern Country District
Lenette Mullen	Fremantle Melville
Ernie Pirone	Northern Metro
David Manuel	Perth City
Tom Golovoda	South Coastal
Adrian Staltari	Eastern Metropolitan
Natalie Willis	South Perth Metro
Stephen Wragg	North Eastern Metro
Harry Zafer	West Coast Metro (to February 2014)
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



STEPHEN WRAGG
Date: 19 November 2014

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

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2014**

	NOTE	2014 \$	2013 \$
Revenue	2	3,622,039	3,394,116
Employee benefits expense		(1,505,708)	(1,474,931)
National council dues		(734,888)	(703,975)
Members Services		(347,894)	(315,076)
Industrial costs		(96,266)	(34,364)
Depreciation and amortisation expense		(71,497)	(62,273)
Capitation fees		(2,100)	(1,025)
Affiliation fees		-	-
Conference and meeting expenses		(7,987)	(11,066)
Grants and donations		(11,992)	(8,818)
Finance costs		-	-
Legal costs – litigation		-	-
Legal costs - other		(103,159)	(36,688)
Audit fees		(18,700)	(18,000)
Net loss from sale of assets		(2,236)	(6,654)
Compulsory levies paid		-	-
Fees/allowances – meetings and conferences		-	-
Consideration to employers for payroll deductions		-	-
Penalties imposed under to RO Act		-	-
Other expenses		(286,866)	(394,313)
		<hr/>	<hr/>
Profit for the year		432,746	326,933
		<hr/>	<hr/>
Other Comprehensive Income		-	-
		<hr/>	<hr/>
Total Comprehensive Income		432,746	326,933
		<hr/>	<hr/>

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 2014**

	NOTE	2014 \$	2013 \$
CURRENT ASSETS			
Cash and cash equivalents	4	5,315,399	4,606,408
Trade and other receivables	5	169,392	189,754
Inventories	6	-	-
Other current assets	7	71,925	62,919
Total Current Assets		5,556,716	4,859,081
NON CURRENT ASSETS			
Trade and other receivables	5	-	-
Property, plant and equipment	8	3,541,368	4,358,750
Total Non Current Assets		3,541,368	4,358,750
TOTAL ASSETS		9,098,084	9,217,831
CURRENT LIABILITIES			
Trade and other payables	9	1,462,632	1,301,613
Short term provisions	10	179,250	138,271
Total Current Liabilities		1,641,882	1,439,884
NON CURRENT LIABILITIES			
Long term provisions	10	97,214	75,600
Trade and other payables	9	36,460	36,460
Total Non Current Liabilities		133,674	112,060
TOTAL LIABILITIES		1,775,556	1,551,943
NET ASSETS		7,322,528	7,665,888
EQUITY			
Reserves		3,122,500	3,767,282
Retained earnings		4,200,028	3,898,606
TOTAL EQUITY		7,322,528	7,665,888

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 2014**

	Retained Earnings General	Retained Earnings Special Projects	Capital Equipment Replacement Reserve	Capital Building Reserve	Asset Revaluation Reserve	Total
	\$	\$	\$	\$	\$	\$
Balance at 30 June 2012	470,705	2,969,644	154,348	516,297	3,227,960	7,338,954
Profit for the year	8,209	318,724	-	-	-	326,933
Transfer from general funds						
Transfer to general funds	(200,000)	200,000	-	-	-	
Balance at 30 June 2013	278,914	3,488,368	154,348	516,297	3,227,960	7,665,887
Profit for the year	432,746	-	-	-	-	432,746
Transfer from general funds						
Transfer to general funds	-	-	-	-	-	-
Revaluation	-	-	-	-	(776,105)	(776,105)
Balance at 30 June 2014	711,660	3,488,368	154,348	516,297	2,451,855	7,322,528

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 2014**

	NOTE	2014 \$	2013 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members		3,094,911	2,652,791
Receipts from Related Parties National Secretariat		397,975	574,580
Payments to suppliers and employees		(2,047,326)	(1,979,182)
Payments to related parties National Secretariat		(855,863)	(810,305)
Interest received		149,515	136,066
		<hr/>	<hr/>
Net cash provided by operating activities	16	739,212	573,950
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant & equipment			
Purchase of property, plant & equipment		(30,221)	(47,789)
		<hr/>	<hr/>
Net cash provided by (used in) investing activities		(30,221)	(47,789)
		<hr/>	<hr/>
Net increase/(decrease) in cash held		708,991	526,161
Cash at beginning of the year		4,606,408	4,080,247
		<hr/>	<hr/>
Cash at end of year	4	5,315,399	4,606,408
		<hr/> <hr/>	<hr/> <hr/>

THE PHARMACY GUILD OF AUSTRALIA WESTERN AUSTRALIAN BRANCH

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

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 organisation registered under the Fair Work (Registered Organisations) Act 2009 and is a not for profit entity for purposes of preparing the financial statements. 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

THE PHARMACY GUILD OF AUSTRALIA

WESTERN AUSTRALIAN BRANCH

disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

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 Organisation commencing from the time the asset is held ready for use. Leasehold 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 2014

e. Financial Instruments

Initial Recognition and Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the organisation 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 Organisation assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged

THE PHARMACY GUILD OF AUSTRALIA WESTERN AUSTRALIAN BRANCH

decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

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 2014

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. Significant Accounting Estimates and Judgements

The Committee of Management evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data obtained both externally and from within the Organisation;

Key Estimates

(i) *Impairment - general*

The Organisation 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.

(ii) *Land and Buildings*

THE PHARMACY GUILD OF AUSTRALIA

WESTERN AUSTRALIAN BRANCH

Land and Buildings are carried at fair value, based on valuations obtained from an independent licenced valuer every three years. Valuations are based on fair value which is a market based measure

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

m. Adoption of New and Revised Accounting Standards

During the current year the organisation 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 Organisation.

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 organisation. The entity has decided not to early adopt any of the new and amended pronouncements. The organisation's assessment of the new and amended pronouncements that are relevant to the organisation 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 2015). 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 that may impact the organisation are:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value; and
- 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.

The organisation has not yet estimated the impact of these pronouncements on its financial statements. AASB 10: Consolidated Financial Statements, AASB 11: Joint Arrangements, AASB 12: Disclosure of Interests in Other Entities, AASB 127: Separate Financial Statements (August 2011) and AASB 128: Investments in Associates and Joint Ventures (August 2011) (as amended by AASB 2012-10), 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 2014).

AASB 10 replaces parts of AASB 127: Consolidated and Separate Financial Statements (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. This Standard is not expected to significantly impact the organisation's financial statements.

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”

THE PHARMACY GUILD OF AUSTRALIA

WESTERN AUSTRALIAN BRANCH

(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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

consolidation is no longer allowed). This Standard is not expected to significantly impact the organisation's financial statements.

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. To facilitate the application of AASBs 10, 11 and 12, revised versions of AASB 127 and AASB 128 have also been issued. The revisions made to AASB 127 and AASB 128 are not expected to significantly impact the organisation's financial statements.

n. Fair Value of Assets and Liabilities

The Organisation measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Organisation would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

	2014	2013
	\$	\$
2. REVENUE		
Operating Activities		
General fund revenue	1,492,000	1,217,061
Membership Subscriptions	1,247,077	1,198,171
Program Income	366,571	451,423
Grant and Donation Income	10,000	10,000
Special project fund revenue	356,876	381,395
Interest received – general fund	87,446	78,790
Interest received - special project fund	62,069	57,276
Capitation fees received	-	-
Compulsory levies raised	-	-
	3,622,039	3,394,116
Non-operating Activities	-	-
Total revenue	3,622,039	3,394,116

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

	2014	2013
	\$	\$
3. AUDITORS REMUNERATION		
Remuneration of the auditor for:		
Auditing or reviewing the financial report	14,500	14,000
Other services	4,200	4,000
	18,700	18,000
	18,700	18,000

4. CASH AND CASH EQUIVALENTS

Cash at bank and in hand	5,315,399	4,606,408
Short term bank deposits	-	-
	5,315,399	4,606,408
	5,315,399	4,606,408

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	5,207,855	4,589,963
Cash and cash equivalents – special projects fund	107,544	16,445
Bank overdrafts		-
	5,315,399	4,606,408
	5,315,399	4,606,408

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

	2014	2013
	\$	\$
5. TRADE AND OTHER RECEIVABLES		
CURRENT		
Subscriptions and other receivables	172,089	189,754
Provision for doubtful debts	(2,697)	-
	<hr/>	<hr/>
Total current trade and other receivables	<u>169,392</u>	<u>189,754</u>
NON CURRENT		
Loan to Guild Shield Chemists	-	-
	<hr/>	<hr/>

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. An impairment of \$2,697 was provided for at 30 June 2014 (2013: Nil).

Credit Risk

The Organisation 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 Organisation is considered to relate to the class of assets described as subscriptions receivable.

The following table details the Organisation'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 Organisation 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 Organisation.

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)			
			< 30	31 - 60	61 - 90	> 90
2014	\$	\$	\$	\$	\$	\$
Subscriptions and other Receivables	172,089	2,697	110,433	61,335	14,852	-17,228
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

THE PHARMACY GUILD OF AUSTRALIA WESTERN AUSTRALIAN BRANCH

Total	<u>172,089</u>	<u>2,697</u>	<u>110,433</u>	<u>61,335</u>	<u>14,852</u>	<u>-17,228</u>
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

5. TRADE AND OTHER RECEIVABLES (CONT)

Credit Risk (Cont)

	\$	\$	\$	\$	\$	\$
2013 Subscriptions and other Receivables	189,754	-	128,995	6,452	9,736	44,571
	<u>189,754</u>	<u>-</u>	<u>128,995</u>	<u>6,452</u>	<u>9,736</u>	<u>44,571</u>
Total	<u>189,754</u>	<u>-</u>	<u>128,995</u>	<u>6,452</u>	<u>9,736</u>	<u>44,571</u>

The Organisation 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.

		2014 \$	2013 \$
Financial assets classified as loans and receivables			
Trade and other receivables	Note		
- total current	17	169,392	189,754
- total non-current	17	-	-
		<u>169,392</u>	<u>189,754</u>
Total		<u>169,392</u>	<u>189,754</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>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

	2014	2013
	\$	\$
7. OTHER CURRENT ASSETS		
Prepayments	59,482	55,619
Accrued income	12,443	7,300
Accrued GST	-	-
	71,925	62,919
	71,925	62,919
8. PROPERTY, PLANT & EQUIPMENT		
Land & buildings		
Opening independent valuation	3,901,105	3,901,105
Revaluation	(776,105)	-
Additions	-	-
	3,125,000	3,901,105
Closing independent valuation	3,125,000	3,901,105
	3,125,000	3,901,105
Office furniture & equipment		
At cost	1,052,616	1,033,028
Accumulated depreciation	(691,300)	(629,957)
	361,316	403,071
Motor vehicles		
At cost	63,565	64,362
Accumulated amortisation	(8,513)	(9,787)
	55,052	54,575
Total plant & equipment	416,368	457,645
Total property, plant & equipment	3,541,368	4,358,750

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

8. PROPERTY, PLANT & EQUIPMENT (CONT)

The Organisation's land & buildings were revalued in May 2014 by independent licenced valuers. Valuations were made on the basis of open market value. The revaluation decrement was debited to an asset revaluation reserve in the equity section of the balance sheet. No deferred tax was provided in relation to the revaluation reserve 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	403,071	54,575	4,358,750
Additions	-	20,080	19,194	39,274
Disposals	-	-	(9,054)	(9,054)
Depreciation & amortisation expense	-	(61,835)	(9,662)	(71,497)
Revaluation	(776,105)	-	-	(776,105)
Carrying amount at the end of year	<u>3,125,000</u>	<u>361,316</u>	<u>55,052</u>	<u>3,541,368</u>

	2014 \$	2013 \$
9. TRADE & OTHER PAYABLES		
CURRENT		
Trade payables	49,266	39,400
Training administration fees	30,030	78,540
Income received in advance	1,017,491	881,812
Accrued expenses	17,295	41,022
Traineeship fees received in advance	225,704	154,832
Accrued GST & PAYG withholding	122,846	106,007
	<u>1,462,632</u>	<u>1,301,613</u>
NON CURRENT		
Rental Property Security Deposit	<u>36,460</u>	<u>36,460</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

10. PROVISIONS

	Annual leave \$	Long service leave \$	Other Provisions \$	Total \$
Opening balance at 1 July 2013	89,711	75,600	48,560	213,871
Additional provisions	12,035	21,614	28,944	62,593
	<u>101,746</u>	<u>97,214</u>	<u>77,504</u>	<u>276,464</u>
Balance at 30 June 2014				
Analysis of total provision			2014	2013
			\$	\$
Office Holders:				
Annual Leave			30,505	23,608
Long Service Leave			30,184	25,311
Separation and Redundancies			-	-
Other			-	-
Subtotal – Office Holders			<u>60,689</u>	<u>48,919</u>
Employees other than Office Holders:				
Annual Leave			71,241	66,103
Long Service Leave			67,030	50,289
Separation and Redundancies			10,661	-
Other			66,843	48,560
Subtotal – Other employees			<u>215,775</u>	<u>164,952</u>
Total Employee Provisions			<u>276,464</u>	<u>213,871</u>
Current			179,250	138,271
Non-current			97,214	75,600
Total Employee Provisions			<u>276,464</u>	<u>213,871</u>

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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

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

	2014	2013
Payable – minimum lease payments	\$	\$
- not later than 12 months	-	-
- between 12 months & 5 years	-	-
- greater than 5 years	-	-
	-	-
	-	-

2014	2013
\$	\$

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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

15. RELATED PARTY TRANSACTIONS

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

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

Funds Paid To National Secretariat 2014

	2014	2013
	\$	\$
Total Paid To National Secretariat 2014		
2013 Subscriptions to National Secretariat.	825,039	759,590
Re-imburement Telephone	17,109	24,160
Software & Software Development Re-imburement	16,989	12,926
Student Capitulations & CPD Accreditation Costs	5,500	5,803
	864,637	802,479
	864,637	802,479

Funds Received from National Secretariat 2014

Total from National Secretariat 2014

Programme Funding & Grants	359,950	492,757
Re-imburement of President time to attend meeting etc	3,900	7,600
Re-imburements of travel associated costs to attend meetings	15,152	16,221
	379,002	516,578
	379,002	516,578

Balances Receivable/Payable at Year End

Receivable from National Secretariat	3,888	22,860
Payable to National Secretariat	9,554	15,147

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

16. CASHFLOW INFORMATION

	2014	2013
	\$	\$
Reconciliation of cash flow from operations with profit from ordinary activities after income tax:		
Profit after income tax	432,746	326,933
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit		
- Depreciation and amortisation	71,497	62,273
- Net Loss on Disposal of Property Plant and Equipment	-	-
Changes in assets and liabilities		
- (Increase)/decrease in trade and term debtors	20,362	(30,680)
- (Increase)/decrease in prepayments	(3,863)	(3,474)
- (Increase)/decrease in accrued income	(5,143)	66,769
- (Increase)/decrease in inventories	-	-
- Increase/(decrease) in trade and other payables	144,509	42,508
- Increase/(decrease) in employee benefits	62,594	122,747
- Increase/(decrease) in accrued GST	16,510	(13,126)
	739,212	573,950
Cash flow from operations	739,212	573,950

17. FINANCIAL RISK MANAGEMENT

Financial risk management policies

The Organisation'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:

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

	Note	2014 \$	2013 \$
Financial Assets			
Cash and cash equivalents	4	5,315,399	4,606,808
Loans and receivables	5	169,392	189,754
Other current assets	7	12,443	7,300
		5,497,234	4,803,862
Financial Liabilities			
Trade and other payables	9	85,726	166,839
		85,726	166,839

Financial Risk Management Policies

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

Specific Financial Risk Exposure and Management

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

a. Interest rate risk

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

THE PHARMACY GUILD OF AUSTRALIA WESTERN AUSTRALIAN BRANCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

17. FINANCIAL RISK MANAGEMENT (CONT)

Specific Financial Risk Exposure and Management (Cont)

b. Liquidity risk

Liquidity risk arises from the possibility that the Organisation might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Organisation 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	
	2014 \$	2013 \$	2014 \$	2013 \$	2014 \$	2013 \$	2014 \$	2013 \$
Financial liabilities								
Trade & sundry payables	49,266	130,379	36,460	36,460	-	-	85,726	166,839
Lease liabilities	-	-	-	-	-	-	-	-
Total financial assets	<u>49,266</u>	<u>130,379</u>	<u>36,460</u>	<u>36,460</u>	<u>-</u>	<u>-</u>	<u>85,726</u>	<u>166,829</u>
Financial assets								
Cash & cash equivalents	5,315,399	4,606,408	-	-	-	-	5,315,399	4,606,408
Short-term deposits	-	-	-	-	-	-	-	-
Trade & other receivables	169,392	189,754	-	-	-	-	169,392	189,754
Other current assets	12,443	7,300	-	-	-	-	12,443	7,300
Total financial assets	<u>5,497,234</u>	<u>4,803,862</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,497,234</u>	<u>4,803,462</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 Organisation 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 2014

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 Organisation.

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 Organisation securing trade or other receivables.

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

e. Price risk

The Organisation 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 2014**

17. FINANCIAL RISK MANAGEMENT (Cont)

Net Fair Values (Cont)

	Footnote	2014		2013	
		Net Carrying Value \$	Net Fair Value \$	Net Carrying Value \$	Net Fair Value \$
Financial assets					
Cash & cash equivalents	(i)	5,315,399	5,315,399	4,606,408	4,606,408
Trade & other receivables	(i)	169,392	169,392	189,754	189,754
Other current assets	(i)	12,443	12,443	7,300	7,300
Total financial assets		5,497,234	5,497,234	4,803,862	4,803,862
Financial liabilities					
Trade & sundry payables	(i)	85,726	82,726	166,839	166,839
Total financial liabilities		85,726	82,726	166,839	166,839

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. FAIR VALUE MEASUREMENTS

Fair Value Estimation

The Organisation measures and recognises only Land & Buildings at fair value on a recurring basis after initial recognition. The fair value of other financial assets and financial liabilities approximate their carrying values

Fair Value Hierarchy

AASB 13 required the disclosure of fair value information by way of a fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1: Measurement based on quoted prices (unadjusted) in active markets for identical assets of liabilities that the entity can access at the measurement date.

THE PHARMACY GUILD OF AUSTRALIA WESTERN AUSTRALIAN BRANCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

18 FAIR VALUE MEASUREMENTS (CONT)

Level 2: Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Measurements based on unobservable inputs for the asset or liability.

The value of the Organisations Land & Buildings is based on level 2 hierarchy using valuations performed by independent licenced valuers. The Valuer adopted a market approach using recent observable market data for similar properties: income approach using discounted cashflow methodology. Significant inputs used were price per square metre and market capitalisation rates.

19. ORGANISATION DETAILS

The registered office and principle place of business of the Organisation is:

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

20. SEGMENT REPORTING

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

21. EMPLOYEE BENEFITS

Breakdown of benefits to officers and employees as follows:

	<u>2014</u>	<u>2013</u>
	\$	\$
Officers		
Relievers Fees	31,680	23,029
Wages & Salaries	307,617	301,970
Superannuation	46,798	46,798
Annual leave	14,266	14,266
LSL	4,873	11,938
Separation/Redundancies	-	-
Employees (Other than officers)		
Wages	981,139	960,866
Superannuation	79,022	71,471
Annual leave	2,231	8,045
LSL	16,741	12,245
Separation/Redundancies	10,661	-
Motor Vehicle FBT	10,680	24,303

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

22. KEY MANAGEMENT PERSONNEL REMUNERATION

Key Management Personnel comprise the Branch Executive and Branch Committee (see page 5 and 6) and Mr M Tweedie the Branch Director.

	2014 \$	2013 \$
Short term employee benefits		
Salary (inc annual leave taken)	307,617	301,970
Annual Leave accrued	14,266	15,339
Performance bonus	-	-
Relievers fees	31,680	23,029
Total short term employee benefits	<u>353,563</u>	<u>340,338</u>
Post employment benefits		
Superannuation	46,798	50,869
Total post employment benefits	<u>46,798</u>	<u>50,869</u>
Other long term benefits	4,873	11,938
Termination benefits	-	-
Total	<u><u>405,234</u></u>	<u><u>403,145</u></u>

23. DONATIONS OVER \$1000

Name of Recipient	Address of recipient of Donation	Amount	Purpose of Donation
Labour Party	PO Box 8613, Perth Business Centre, 6849	\$5,000	ALP Dinner with PM K Rudd 26/7/13 ALP WA
National Party	The National Party of Australia (WA) Inc P O Box 1418 West Perth WA 6872	\$1,818	National Party 2013 State Conference Registration
WA Labor Party	Mount Lawley WA Labor Party P O Box 8117, Perth BC 6849	\$3,000	Business Engagement Programme Seminar WA Labor

THE PHARMACY GUILD OF AUSTRALIA WESTERN AUSTRALIAN BRANCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

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

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

- (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).

25 OTHER MATTERS

None of the activities set out in items 10, 11 and 12 of the Reporting Guidelines occurred during the year ended 30 June 2014.

In addition there are no liabilities in respect of the current or prior periods for legal cost or other legal matters and to employers as consideration for the employers making payroll deductions of membership subscriptions.

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 31;

1. Presents a true and fair view of the financial position of The Pharmacy Guild of Australia Western Australian Branch as at 30 June 2014 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:


STEPHEN WRAGG
President



ANDREW NGEOW
Vice President of Finance

Dated this 19 November 2014

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

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Perth WA 6000

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Report on the financial report

We have audited the accompanying financial report of The Pharmacy Guild of Australia, Western Australia Branch (the "Organisation"), which comprises the statement of financial position as at 30 June 2014, 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 Organisation 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.

**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 Organisation's financial position as at 30 June 2014 and of its performance for the year ended on that date;
- (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: and
- (iii) managements use of the going concern basis of accounting in the preparation of the financial statements is appropriate



**Moore Stephens
Chartered Accountants**



**Neil Pace
Partner
Approved Auditor
Fellow of the Institute of Chartered
Accountants In Australia**

Dated this 19th Day of November 2014

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

**DETAILED INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2014
GENERAL FUND**

	2014	2013
	\$	\$
REVENUE		
Commission	295,671	270,262
Gold Cross Service Commission	10,474	35,883
Members Services	320,761	457,461
Membership Subscriptions	1,247,077	1,198,171
Pharmacy Industry Training	721,481	401,897
Sundry Income	166,073	158,541
Interest Received	87,446	78,790
Pharmacy Forum	354,111	354,441
	3,203,094	2,955,446
EXPENDITURE		
Auditing Fees	18,500	15,500
Bank Fees	5,648	9,062
Branch Committee Expenses	44,440	40,666
Depreciation - Office Equipment	39,083	35,958
- Motor Vehicles	9,662	9,136
Dispatch & Postage	19,080	16,813
EDP Maintenance & Support	17,521	41,608
Insurance	31,029	30,693
Members Services	347,894	315,076
National Council Dues	734,888	703,975
Payroll Tax	79,430	79,831
Power and Light	11,002	12,464
Printing and Stationery	37,295	35,749
Professional Fees	19,064	30,290
Salaries – Employees	1,295,296	1,267,608
Sundry Expenses & Staff Training	108,846	136,308
Superannuation	124,008	118,803
Telephone and Facsimile	22,509	21,773
Training Division Expenses	19,059	25,924
	2,984,254	2,947,237
Profit from General Fund for the year	218,840	8,209

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

**DETAILED INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2014
SPECIAL PROJECT FUND**

	2014 \$	2013 \$
REVENUE		
Rent and Variable Outgoings Received	156,185	156,340
WA Industrial & Management Service Fee	201,477	201,519
Interest Received	62,069	57,276
Other Income	(786)	23,537
	418,945	438,671
EXPENDITURE		
Cleaning Services & Supplies	34,434	25,900
Depreciation	22,751	22,179
Donations	11,992	8,818
Industrial Costs	96,266	34,364
Legal Cover Expenses	6,893	2,324
Rates & Taxes	27,006	26,262
Sundry Expenses	5,696	100
	205,038	119,947
Profit from Special Projects Fund for the year	213,907	318,724



28 October 2014

Zoe Lenette Mullen
President
Pharmacy Guild of Australia, Western Australia Branch
1322 Hay Street
West Perth WA 6005

via e-mail: reception@wa.guild.org.au

Dear Ms Mullen

**Pharmacy Guild of Australia, Western Australia Branch
Financial Report for the year ended 30 June 2014 - FR2014/113**

I acknowledge receipt of the financial report for the year ended 30 June 2014 for the Pharmacy Guild of Australia, Western Australia Branch (PGA-WA). The financial report was lodged with the Fair Work Commission (FWC) on 25 September 2014.

The financial report has not been filed. I have examined the report and identified a number of matters, the details of which are set out below, that you are required to address before the report can be filed.

The Committee of Management Statement, General Purpose Financial Report (GPFR) and Auditor's Statement will require amendments. The amended report will need to be presented to a General Meeting of members, republished on the PGA-WA website and lodged with FWC.

The matters identified should be read in conjunction with the *Fair Work (Registered Organisations) Act 2009* (the RO Act), *Fair Work (Registered Organisations) Regulations 2009* (the RO Regs), Reporting Guidelines (RG) made under section 255 of the RO Act and Australian Accounting Standards.

A 'Model Financial Statements' is also available on the FWC website to assist organisations in preparing returns.

1. Committee of Management Statement

Recovery of wages

I note that the accounts do not provide any information in relation to recovery of wages activity. Items 26 – 30, 35(g) and 37(b) of the Reporting Guidelines govern the financial reporting of recovery of wages activity. Item 35(f) of the Reporting Guidelines also states that 'where the reporting unit has not derived revenue from undertaking recovery of wages activity, include a statement *no revenue has been derived from undertaking recovery of wages activity during the reporting period*'.

No reference is provided in the GPFR to recovery of wages activity. If there was no recovery of wages activity undertaken by the PGA-WA which derived revenue for the financial year, can you

please update the declaration in the Committee of Management Statement in accordance with item 35(f) of the Reporting Guideline and resubmit to the FWC.

Reference to FWC

Following the enactment of the *Fair Work Amendment Act 2012*, Fair Work Australia was renamed Fair Work Commission with effect from 1 January 2013. The reference to Fair Work Australia must be changed to Fair Work Commission.

The Committee of Management Statement will need to be amended and reissued to the Members and the FWC.

2. General Purpose Financial Report

For-profit or not-for profit entity

Australian Accounting Standard *AASB 1054 Australian Additional Disclosures* paragraph 8(b) requires that the entity disclose whether, for the purposes of preparing the financial statements, it is a for-profit or not-for-profit entity.

This information has not been provided.

Accounting judgments and estimates

Australian Accounting Standard *AASB 101 Presentation of Financial Statements* paragraph 122 requires that the notes to the financial statements include a discussion on the significant accounting judgments and estimates applied.

No such discussion has been included in the Notes. Please amend accordingly.

Reference to FWC

The reference in Note 22(1) to (FWA) Fair Work Australia must be changed to Fair Work Commission.

Disclosure requirements - measured at fair value

Australian Accounting Standard *AASB 13 Fair Value Measurement* paragraph 93 identifies the disclosure requirement for when assets and liabilities are measured at fair value.

These disclosure requirements have not been sufficiently addressed in the GPFR.

Key management personnel

Australian Accounting Standard *AASB 124 Related Party Disclosures* paragraph 17 requires the General Purpose Financial Report to disclose within the statements or the notes compensation paid to key management personnel.

This normally includes a listing of the key management personnel for the organisation, the total amount of compensation paid to all key management personnel, and then totals for each of the following categories:

- Short term employee benefits
- Post employment benefits
- Other long term employee benefits
- Termination benefits
- Any share based payments.

The definition for these categories can be found within accounting standard *AASB 119: Employee Benefits*.

Materiality

Australian Accounting Standard *AASB 101 Presentation of Financial Statements* paragraph 97 requires material items to be presented separately. The Statement of Comprehensive Income reports \$1,645,289 as 'Other expenses', which is a material amount. This item is required to be further divided to ensure that any material items within expenses are separately disclosed.

Disclosure of employee expenses to office holders and other employees

Note 21 to the financial statements has disclosed wages, superannuation, leave and other entitlements and other employee expenses separately for officer holders and employees, but does not separately disclose separation and redundancies provided for officers and employees.

The Reporting Guidelines require that all employee and office holder expenses be detailed separately (refer to items 16(f) and 16(g)).

Please also note that the Employee expenses reported at Note 21 total \$1,468,791 does not agree with amount reported in the Statement of Comprehensive Income 'Employee benefits expense' \$1,472,507.

Disclosure of employee provisions to office holders and other employees

The Reporting Guidelines also require either the statement of financial position or the notes to disclose any liability for employee benefits in respect of office holders and other employees (items 20(c) and 20 (d)). Item 20(c) and 20(d) of the reporting guidelines also requires these provisions to be separately disclosed as follows:

- Annual leave;
- Long service leave;
- Separation and redundancies; and
- Other employee provisions.

Note 10 discloses this liability but does not distinguish between provisions for office holders and other employees, nor does it separately disclose the employee provisions for 'Separation and redundancies'.

Activities under Reporting Guidelines not disclosed

Items 13, 15, 17, 21 and 25 of the RG state that if the activities identified in items 12, 14, 16, 20 and 24 respectively have not occurred in the reporting period, a statement to this effect must be included in the notes to the GPFR. I note that for the following items no such disclosure has been made:

- 12 - acquired an asset or liability due to an amalgamation under Part 2 of Chapter 3, a restructure of the branches of an organisation, a determination or revocation by the General Manager
- 14(b) - capitation fees received
- 14(c) - compulsory levies raised
- 14(d) - donations or grants received
- 16(a) - fees incurred as consideration for employers making payroll deductions of membership subscriptions
- 16(b) - capitation fees paid
- 16(c) - affiliation fees paid to each entity
- 16(d) - compulsory levies imposed
- 16(e) - grants or donations paid
- 16(h) - fees or allowances paid to persons to attend a conferences or other meeting as a representative of the reporting unit
- 16(i) - expenses incurred with holding meeting of members or any conferences or meeting of councils, committees, panels or other bodies
- 16(j) - legal costs or other litigation expenses incurred

- 16(k) - penalties imposed under the RO Act.
- 20(a) - payables to employers as consideration for the employers making payroll deductions of membership subscriptions
- 20(b) - payables in respect of legal costs and other expenses related to litigation or other legal matters
- 24 - cash flows to/from other reporting units and/or controlled entity to be reported in Cash Flow Statement or in the notes to the GPF

3. Auditor's Statement

Auditor's qualifications

Regulation 4 of the RO Regulations provides the definition of an approved auditor. Item 38 of the Reporting Guidelines requires that in the Auditor's Statement, the auditor must declare they are either an approved auditor or the auditor is a member of a firm where at least one member is an approved auditor and must specify that the auditor is a person who is a member of CPA Australia, The Institute of Chartered Accountants in Australia or the Institute of Public Accountants, and holds a current Public Practice Certificate.

I note that this information has not been included in the Auditor's Statement. The Auditor's Statement will require amendment.

Declaration relating to management use of the going concern basis of accounting

Item 39 of the Reporting Guidelines requires that the Auditor's Statement include a declaration, that as part of the audit of the financial statements, they have concluded that management's use of the going concern basis of accounting in the preparation of the financial statement is appropriate.

The Auditor's Statement will need to be amended to include the abovementioned declaration and reissue to the Members and the FWC.

4. Non compliance with previous requests

While we filed last year's financial report, we raised certain issues for the reporting unit to address in the preparation of future financial reports. I note that the same errors have appeared in the current report, namely, 'disclosure of employee expenses to office holders and other employees', 'disclosure of employee provisions to office holders and other employees' and 'Auditor's statement: Declaration relating to management use of the going concern basis of accounting'.

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

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 7675 or by email at ken.morgan@fwc.gov.au

Yours sincerely

A handwritten signature in black ink, appearing to read 'Ken Morgan', is positioned above the typed name and title.

Ken Morgan
Financial Reporting Advisor
Regulatory Compliance Branch