



FAIR WORK
COMMISSION

13 October 2015

Mr Stephen Wragg
President, Western Australian Branch
Pharmacy Guild of Australia

Sent via email: reception@wa.guild.org.au

Dear Mr Wragg

Re: Lodgement of Financial Statements and Accounts – Pharmacy Guild of Australia, Western Australian Branch - for year ended 30 June 2015 (FR2015/102)

I refer to the financial report for the Western Australian Branch of the Pharmacy Guild of Australia. The report was lodged with the Fair Work Commission on 22 September 2015. A re-dated Designated Officer's Certificate was lodged on 6 October 2015.

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

Please note that the financial report for the year ending 30 June 2016 may be subject to an advanced compliance review.

You are not required to take any further action in respect of the report lodged. I make the following comments however to be complied with when preparing next year's report.

Disclosure of payables in respect of legal costs

Reporting Guideline [RG] 20(b) requires a payable¹ in relation to legal costs to be disclosed by litigation and by other legal matters. Reporting Guideline 21 states that if any activities identified in RG 20 have not occurred in the reporting period, a statement to this effect must be included in the GPFR. I note that for litigation and other legal matters no such disclosure was made.²

Disclosure of grants or donations

Reporting Guideline 16(e) requires that where grants or donations have been paid,³ the total amount paid is to be disclosed as follows:

- (i) grants that were \$1,000 or less;
- (ii) grants that exceeded \$1,000;
- (iii) donations that were \$1,000 or less; and
- (iv) donations that exceeded \$1,000

¹ i.e. *payable*, as distinct from an *expense paid* (which was disclosed as litigation (\$0) and other legal costs (\$55,172) in the Statement of Comprehensive Income).

² See Note 25, page 31

³ Where, for example, no grants at all were paid, a nil balance or statement that none were paid is required by RG17.

“Grants and donations” expense is reported as \$9,155. Note 23 disclosed amounts paid for donations exceeding \$1,000, but did not identify total amounts making up the balance by the other sub-categories as described above.⁴

Reporting Requirements

On the FWC website a number of factsheets in relation to the financial reporting process and associated timelines are available. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The FWC recommends reporting units use this model as it will assist in ensuring compliance with the *Fair Work (Registered Organisations) Act 2009*, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained via [this link](#).

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 by email at stephen.kellett@fwc.gov.au

Yours sincerely



Stephen Kellett
Senior Adviser
Regulatory Compliance Branch

⁴ RG16(e) does not require individual itemisation of donations or grants exceeding \$1,000 in the general purpose financial report, simply the *total* amounts for each sub-category. Grants and donations exceeding \$1,000 only have to be individually itemised in the statement of loans, grants and donations under section 237. The *total* amounts disclosed in the financial report for grants and for donations exceeding \$1,000 should reconcile, respectively, with the *totals* of the items appearing in the statement of loans, grants and donations under section 237. The amounts disclosed in the financial report for each of grants and donations \$1,000 or less should, when added to the amounts for the grants and donations exceeding \$1,000 equal the total amounts paid in grants and donations.

The Pharmacy Guild of Australia (WA Branch)

DESIGNATED OFFICER CERTIFICATE¹

Certificate for the period ended *30 June 2015*

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 2015* referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the *2015 Annual Report and Financials for the year ended 30 June 2015* was provided to members of the reporting unit on *21 August 2015* and
- that the full report was presented to a *general meeting of members* of the reporting unit on *22 September 2015* 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: 6 October 2015

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 2015**

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 21 August 2015 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 2015:

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 John Wragg

Title of Office Held: President

Signature 

Dated: 21 August 2015

THE PHARMACY GUILD OF AUSTRALIA WESTERN AUSTRALIAN BRANCH

OPERATING REPORT

I, **STEPHEN JOHN WRAGG**, being the designated officer responsible for preparing this report for the financial year ended 30 June 2015 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 \$423,187 (2014: \$432,746)

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 2015 to which this report relates the number of members of the organisation was 510 including Honorary Life Members;
- b) As at 30 June 2015 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

Stephen Wragg

President (from 23 September 2014)

Vice President Finance (to 23 September 2014)

Natalie Willis

Senior Vice President & Alternative National Councillor

Andrew Ngeow

Vice President Finance & Alternervative National Councillor (from 23 September 2014)

Anthony Masi

Vice President

Lenette Mullen

President (to 23 September 2014) National Councillor

THE PHARMACY GUILD OF AUSTRALIA WESTERN AUSTRALIAN BRANCH

OPERATING REPORT CONTINUED

Branch Committee

Greg Da Rui	Great Southern Country (from 1 July 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
Donna Pearson	West Coast Metro (from 1 July 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 JOHN WRAGG

Date: 21 August 2015

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

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015**

	NOTE	2015 \$	2014 \$
Revenue	2	3,491,341	3,622,039
Employee benefits expense		(1,409,158)	(1,505,708)
National council dues		(760,980)	(734,888)
Members Service		(355,045)	(347,894)
Depreciation and amortisation expense		(61,838)	(71,497)
Capitation fees		(2,025)	(2,100)
Affiliation fees		-	-
Conference and meeting expenses		(8,420)	(7,987)
Grants and donations		(9,155)	(11,992)
Finance costs		-	-
Legal costs – litigation		-	-
Legal costs - other		(55,172)	(103,159)
Audit fees	3	(19,500)	(18,700)
Net loss from sale of assets		-	(2,236)
Compulsory levies paid		-	-
Fees/allowances – meetings and conferences		-	-
Consideration to employers for payroll deductions		-	-
Penalties imposed under to RO Act		-	-
Other expenses		(386,861)	(383,132)
		<hr/>	<hr/>
Profit for the year		423,187	432,746
		<hr/>	<hr/>
Other Comprehensive Income			-
		<hr/>	<hr/>
Total Comprehensive Income		423,187	432,746
		<hr/> <hr/>	<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 2015**

	NOTE	2015 \$	2014 \$
CURRENT ASSETS			
Cash and cash equivalents	4	5,528,409	5,315,399
Trade and other receivables	5	211,533	169,392
Inventories	6	-	-
Other current assets	7	77,754	71,925
		<hr/>	<hr/>
Total Current Assets		5,817,696	5,556,716
NON CURRENT ASSETS			
Trade and other receivables	5	-	-
Property, plant and equipment	8	3,523,916	3,541,368
		<hr/>	<hr/>
Total Non Current Assets		3,523,916	3,541,368
		<hr/>	<hr/>
TOTAL ASSETS		9,341,612	9,098,084
CURRENT LIABILITIES			
Trade and other payables	9	1,348,506	1,462,632
Short term provisions	10	141,080	179,250
		<hr/>	<hr/>
Total Current Liabilities		1,489,586	1,641,882
NON CURRENT LIABILITIES			
Long term provisions	10	106,311	97,214
Trade and other payables	9	-	36,460
		<hr/>	<hr/>
Total Non Current Liabilities		106,311	133,674
		<hr/>	<hr/>
TOTAL LIABILITIES		1,595,897	1,775,556
		<hr/>	<hr/>
NET ASSETS		7,745,715	7,322,528
EQUITY			
Reserves		3,122,500	3,122,500
Retained earnings		4,623,215	4,200,028
		<hr/>	<hr/>
TOTAL EQUITY		7,745,715	7,322,528
		<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 2015**

	Retained Earnings General \$	Retained Earnings Special Projects \$	Capital Equipment Replacement Reserve \$	Capital Building Reserve \$	Asset Revaluation Reserve \$	Total \$
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
Profit for the year	423,187	-	-	-	-	423,187
Transfer from general funds	-	-	-	-	-	-
Transfer to general funds	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-
Balance at 30 June 2015	1,134,847	3,488,368	154,348	516,297	2,451,855	7,745,715

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 2015**

	NOTE	2015 \$	2014 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members		2,804,095	3,094,911
Receipts from Related Parties National Secretariat		449,765	397,975
Payments to suppliers and employees		(2,351,238)	(2,047,326)
Payments to related parties National Secretariat		(840,566)	(855,863)
Interest received		195,340	149,515
		<hr/>	<hr/>
Net cash provided by operating activities	16	257,396	739,212
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant & equipment			
Purchase of property, plant & equipment		(44,386)	(30,221)
		<hr/>	<hr/>
Net cash provided by (used in) investing activities		(44,386)	(30,221)
		<hr/>	<hr/>
Net increase/(decrease) in cash held		213,010	708,991
Cash at beginning of the year		5,315,399	4,606,408
		<hr/>	<hr/>
Cash at end of year	4	5,528,409	5,315,399
		<hr/>	<hr/>

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 2015

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 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 2015

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 2015

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 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 2015

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 2015

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*

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

THE PHARMACY GUILD OF AUSTRALIA WESTERN AUSTRALIAN BRANCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

m. Adoption of New and Revised Accounting Standards

New, revised or amending Accounting Standards and Interpretations adopted

The entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities

The entity has applied AASB 2012-3 from 1 July 2014. The amendments add application guidance to address inconsistencies in the application of the offsetting criteria in AASB 132 'Financial Instruments: Presentation', by clarifying the meaning of 'currently has a legally enforceable right of set-off'; and clarifies that some gross settlement systems may be considered to be equivalent to net settlement.

AASB 2013-3 Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets

The entity has applied AASB 2013-3 from 1 July 2014. The disclosure requirements of AASB 136 'Impairment of Assets' have been enhanced to require additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposals. Additionally, if measured using a present value technique, the discount rate is required to be disclosed.

AASB 2014-1 Amendments to Australian Accounting Standards (Parts A to C)

The entity has applied Parts A to C of AASB 2014-1 from 1 July 2014. These amendments affect the following standards: AASB 2 'Share-based Payment': clarifies the definition of 'vesting condition' by separately defining a 'performance condition' and a 'service condition' and amends the definition of 'market condition'; AASB 3 'Business Combinations': clarifies that contingent consideration in a business combination is subsequently measured at fair value with changes in fair value recognised in profit or loss irrespective of whether the contingent consideration is within the scope of AASB 9; AASB 8 'Operating Segments': amended to require disclosures of judgements made in applying the aggregation criteria and clarifies that a reconciliation of the total reportable segment assets to the entity's assets is required only if segment assets are reported regularly to the chief operating decision maker; AASB 13 'Fair Value Measurement': clarifies that the portfolio exemption applies to the valuation of contracts within the scope of AASB 9 and AASB 139; AASB 116 'Property, Plant and Equipment' and AASB 138 'Intangible Assets': clarifies that on revaluation, restatement of accumulated depreciation will not necessarily be in the same proportion to the change in the gross carrying value of the asset; AASB 124 'Related Party Disclosures': extends the definition of 'related party' to include a management entity that provides KMP services to the entity or its parent and requires disclosure of the fees paid to the management entity; AASB 140 'Investment Property': clarifies that the acquisition of an investment property may constitute a business combination.

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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.

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**NOTES TO THE FINANCIAL STATEMENTS
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	2015	2014
	\$	\$
2. REVENUE		
Operating Activities		
General fund revenue	1,243,801	1,492,000
Membership Subscriptions	1,305,101	1,247,077
Program Income	507,303	366,571
Grant and Donation Income	-	10,000
Special project fund revenue	239,797	356,876
Interest received – general fund	99,603	87,446
Interest received - special project fund	95,737	62,069
Capitation fees received	-	-
Compulsory levies raised	-	-
	3,491,341	3,622,039
Non-operating Activities	-	-
Total revenue	3,491,341	3,622,039

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	2015	2014
	\$	\$
3. AUDITORS REMUNERATION		
Remuneration of the auditor for:		
Auditing or reviewing the financial report	15,000	14,500
Other services	4,500	4,200
	19,500	18,700
	19,500	18,700
 4. CASH AND CASH EQUIVALENTS		
Cash at bank and in hand	5,528,409	5,315,399
Short term bank deposits	-	-
	5,528,409	5,315,399
	5,528,409	5,315,399
 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	5,480,556	5,207,855
Cash and cash equivalents – special projects fund	47,853	107,544
Bank overdrafts	-	-
	5,528,409	5,315,399
	5,528,409	5,315,399

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	2015	2014
	\$	\$
5. TRADE AND OTHER RECEIVABLES		
CURRENT		
Subscriptions and other receivables	211,533	172,089
Provision for doubtful debts	-	(2,697)
	<hr/>	<hr/>
Total current trade and other receivables	<u>211,533</u>	<u>169,392</u>
NON CURRENT		
Loan to Guild Shield Chemists	<hr/> <hr/>	<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. No impairment was provided for at 30 June 2015 (2014: \$2,697).

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
2015	\$	\$	\$	\$	\$	\$
Subscriptions and other Receivables	211,533	-	140,918	25,485	19,638	25,492
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total	<u>211,533</u>	<u>-</u>	<u>140,918</u>	<u>25,485</u>	<u>19,638</u>	<u>25,492</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

5. TRADE AND OTHER RECEIVABLES (CONT)

Credit Risk (Cont)

2014	\$	\$	\$	\$	\$	\$
Subscriptions and other Receivables	172,089	2,697	110,433	61,335	14,852	-17,228
Total	172,089	2,697	110,433	61,355	14,852	-17,228

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.

		2015	2014
		\$	\$
Financial assets classified as loans and receivables			
Trade and other receivables	Note		
- total current	17	211,533	169,392
- total non-current	17	-	-
Total		211,533	169,392

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	-	-
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**NOTES TO THE FINANCIAL STATEMENTS
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	2015	2014
	\$	\$
7. OTHER CURRENT ASSETS		
Prepayments	69,754	59,482
Accrued income	8,000	12,443
Accrued GST	-	-
	77,754	71,925
	77,754	71,925
 8. PROPERTY, PLANT & EQUIPMENT		
Land & buildings		
Opening independent valuation	3,125,000	3,901,105
Revaluation	-	(776,105)
Additions	-	-
	3,125,000	3,125,000
Closing independent valuation	3,125,000	3,125,000
	3,125,000	3,125,000
 Office furniture & equipment		
At cost	1,106,537	1,052,616
Accumulated depreciation	(753,138)	(691,300)
	353,399	361,316
 Motor vehicles		
At cost	63,565	63,565
Accumulated amortisation	(18,048)	(8,513)
	45,517	55,052
Total plant & equipment	398,916	416,368
Total property, plant & equipment	3,523,916	3,541,368

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FOR THE YEAR ENDED 30 JUNE 2015**

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	3,125,000	361,316	55,052	3,541,368
Additions	-	53,921	-	53,921
Disposals	-	-	-	-
Depreciation & amortisation expense	-	(61,838)	(9,535)	(71,373)
Revaluation	-	-	-	-
Carrying amount at the end of year	<u>3,125,000</u>	<u>353,399</u>	<u>45,517</u>	<u>3,523,916</u>

2015
\$

2014
\$

**9. TRADE & OTHER PAYABLES
CURRENT**

Trade payables	54,861	49,266
Training administration fees	7,980	30,030
Income received in advance	829,722	1,017,491
Accrued expenses	84,137	17,295
Traineeship fees received in advance	274,276	225,704
Accrued GST & PAYG withholding	97,531	122,846
	<u>1,348,506</u>	<u>1,462,632</u>

NON CURRENT

Rental Property Security Deposit	-	36,460
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

10. PROVISIONS

	Annual leave \$	Long service leave \$	Other Provisions \$	Total \$
Opening balance at 1 July 2014	101,746	97,214	77,504	276,464
Additional provisions	(4,637)	9,097	(33,533)	(29,073)
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 30 June 2015	<u>97,109</u>	<u>106,311</u>	<u>43,971</u>	<u>247,391</u>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Analysis of total employee provision			2015	2014
			\$	\$
Office Holders:				
Annual Leave			19,088	30,505
Long Service Leave			29,077	30,184
Separation and Redundancies			-	-
Other			-	-
Subtotal – Office Holders			<hr/> 48,165	<hr/> 60,689
			<hr/>	<hr/>
Employees other than Office Holders:				
Annual Leave			78,021	71,241
Long Service Leave			77,234	67,030
Separation and Redundancies			-	10,661
Other			43,971	66,843
Subtotal – Other employees			<hr/> 199,226	<hr/> 215,775
			<hr/>	<hr/>
Total Employee Provisions			<u>247,391</u>	<u>276,464</u>
			<hr/> <hr/>	<hr/> <hr/>
Current			141,080	179,250
Non-current			106,311	97,214
			<hr/>	<hr/>
Total Employee Provisions			<u>247,391</u>	<u>276,464</u>
			<hr/> <hr/>	<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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

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

	2015	2014
	\$	\$
Payable – minimum lease payments	-	-
- not later than 12 months	-	-
- between 12 months & 5 years	-	-
- greater than 5 years	-	-
	-	-
	-	-
	2015	2014
	\$	\$

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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

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 2015

	2015	2014
	\$	\$
Total Paid To National Secretariat 2015		
2014 Subscriptions to National Secretariat.	831,726	825,039
Re-imbusement Telephone	15,869	17,109
Software & Software Development Re-imbusement	1,441	16,989
Student Capitations & CPD Accreditation Costs	8,834	5,500
Sundry Expenditure	857	-
	858,727	864,637
	858,727	864,637

Funds Received from National Secretariat 2015

Total from National Secretariat 2015		
Programme Funding & Grants	418,419	359,950
Re-imbusement of President time to attend meeting etc	7,822	3,900
Re-imburements of travel associated costs to attend meetings	5,399	15,152
Re-imbusement of software	11,301	-
Sundry Re-imbusement	5,000	-
Sponsorship	583	-
	448,523	379,002
	448,523	379,002

Balances Receivable/Payable at Year End

Receivable from National Secretariat	2,646	3,888
Payable to National Secretariat	27,716	9,554

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

16. CASHFLOW INFORMATION

	2015	2014
	\$	\$
Reconciliation of cash flow from operations with profit from ordinary activities after income tax:		
Profit after income tax	423,187	432,746
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit		
- Depreciation and amortisation	61,838	71,497
- Net Loss on Disposal of Property Plant and Equipment	-	-
Changes in assets and liabilities		
- (Increase)/decrease in trade and term debtors	(42,141)	20,362
- (Increase)/decrease in prepayments	(10,272)	(3,863)
- (Increase)/decrease in accrued income	4,443	(5,143)
- (Increase)/decrease in inventories	-	-
- Increase/(decrease) in trade and other payables	(125,271)	144,509
- Increase/(decrease) in employee benefits	(29,073)	62,594
- Increase/(decrease) in accrued GST	(25,315)	16,510
	257,396	739,212
Cash flow from operations	257,396	739,212

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:

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

17. FINANCIAL RISK MANAGEMENT (CONT)

	Note	2015 \$	2014 \$
Financial Assets			
Cash and cash equivalents	4	5,528,409	5,315,399
Loans and receivables	5	211,553	169,392
Other current assets	7	8,000	12,433
		5,747,962	5,497,234
Financial Liabilities			
Trade and other payables	9	54,861	85,726
		54,861	85,726

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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

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	
	2015 \$	2014 \$	2015 \$	2014 \$	2015 \$	2014 \$	2015 \$	2014 \$
Financial liabilities								
Trade & sundry payables	54,861	49,266	-	36,460	-	-	54,861	85,726
Lease liabilities	-	-	-	-	-	-	-	-
Total financial liabilities	<u>54,861</u>	<u>49,266</u>	<u>-</u>	<u>36,460</u>	<u>-</u>	<u>-</u>	<u>54,861</u>	<u>85,726</u>
Financial assets								
Cash & cash equivalents	5,528,409	5,315,399	-	-	-	-	5,528,409	5,315,399
Short-term deposits	-	-	-	-	-	-	-	-
Trade & other receivables	211,553	169,392	-	-	-	-	211,553	169,392
Other current assets	8,000	12,443	-	-	-	-	8,000	12,433
Total financial assets	<u>5,747,962</u>	<u>5,497,234</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,747,962</u>	<u>5,497,234</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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

17. FINANCIAL RISK MANAGEMENT (Cont)

Net Fair Values (Cont)

		2015		2014	
	Footnote	Net Carrying Value \$	Net Fair Value \$	Net Carrying Value \$	Net Fair Value \$
Financial assets					
Cash & cash equivalents	(i)	5,528,409	5,528,409	5,315,399	5,315,399
Trade & other receivables	(i)	211,553	211,553	169,392	169,392
Other current assets	(i)	8,000	8,000	12,443	12,443
Total financial assets		<u>5,747,962</u>	<u>5,747,962</u>	<u>5,497,234</u>	<u>5,497,234</u>
Financial liabilities					
Trade & sundry payables	(i)	54,861	54,861	85,726	82,726
Total financial liabilities		<u>54,861</u>	<u>54,861</u>	<u>85,726</u>	<u>82,726</u>

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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

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>2015</u>	<u>2014</u>
	\$	\$
Officers		
Relievers Fees	22,824	31,680
Wages (inc annual leave taken)	270,247	307,617
Superannuation	40,123	46,798
Annual leave accrued	11,916	14,266
LSL	8,859	4,873
Separation/Redundancies	-	-
Employees (Other than officers)		
Wages (inc annual leave taken)	981,079	981,139
Superannuation	79,177	79,022
Annual leave accrued	(16,283)	2,231
LSL	238	16,741
Separation/Redundancies	820	10,661
Motor Vehicle FBT	10,158	10,680

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

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.

	2015	2014
	\$	\$
Short term employee benefits		
Salary (inc annual leave taken)	270,247	307,617
Annual Leave accrued	11,916	14,266
Performance bonus	-	-
Relievers fees	22,824	31,680
Total short term employee benefits	304,987	353,563
Post employment benefits		
Superannuation	40,123	46,798
Total post-employment benefits	40,123	46,798
Other long term benefits	8,859	4,873
Termination benefits	-	-
Total	353,969	405,234

23. DONATIONS OVER \$1000

Name of Recipient	Address of recipient of Donation	Amount	Purpose of Donation
Liberal Party	Liberal Party of Australia (WA Div) Inc, PO Box 49, West Perth	\$6,000	Liberal Party 2014 State Conference 8/8/14
National Party	The National Party of Australia (WA) Inc P O Box 1418 West Perth WA 6872	\$1,818	National Party 2014 State Conference Registration

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

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 2015.

In addition there are no liabilities in respect of the current or prior periods 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

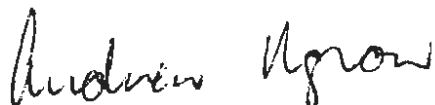
In the opinion of the committee the financial report as set out on pages 4 to 31;

1. Presents a true and fair view of the financial position of The Pharmacy Guild of Australia Western Australian Branch as at 30 June 2015 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 JOHN WRAGG
President



ANDREW NGEOW
Vice President of Finance

Dated this 21 Day of August 2015

THE PHARMACY GUILD OF AUSTRALIA WESTERN AUSTRALIAN BRANCH

MOORE STEPHENS

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

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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 2015, 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.

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 Organisation's financial position as at 30 June 2015 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 ^{5th} 21 day of August 2015

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

**DETAILED INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2015
GENERAL FUND**

	2015 \$	2014 \$
REVENUE		
Commission	258,565	295,671
Gold Cross Service Commission	-	10,474
Members Services	417,311	320,761
Membership Subscriptions	1,305,101	1,247,077
Pharmacy Industry Training	496,706	721,481
Sundry Income	234,906	166,073
Interest Received	99,603	87,446
Pharmacy Forum	343,615	354,111
	3,155,807	3,203,094
EXPENDITURE		
Auditing Fees	19,500	18,500
Bank Fees	18,434	5,648
Branch Committee Expenses	34,344	44,440
Depreciation - Office Equipment	33,686	39,083
- Motor Vehicles	9,535	9,662
Dispatch & Postage	17,242	19,080
EDP Maintenance & Support	18,095	17,521
Insurance	27,374	31,029
Members Services	355,045	347,894
National Council Dues	760,980	734,888
Payroll Tax	76,643	79,430
Power and Light	8,343	11,002
Printing and Stationery	24,627	37,295
Professional Fees	31,963	19,064
Salaries – Employees	1,251,326	1,295,296
Sundry Expenses & Staff Training	54,016	108,846
Superannuation	119,300	124,008
Telephone and Facsimile	20,362	22,509
Training Division Expenses	22,752	19,059
	2,903,567	2,984,254
Profit from General Fund for the year	252,240	218,840

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

**DETAILED INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2015
SPECIAL PROJECT FUND**

	2015	2014
	\$	\$
REVENUE		
Rent and Variable Outgoings Received	35,669	156,185
WA Industrial & Management Service Fee	204,128	201,477
Interest Received	95,737	62,069
Other Income	-	(786)
	335,534	418,945
EXPENDITURE		
Cleaning Services & Supplies	31,960	34,434
Depreciation	28,152	22,751
Donations	9,155	11,992
Industrial Costs	46,017	96,266
Legal Cover Expenses	4,138	6,893
Rates & Taxes	32,371	27,006
Sundry Expenses	12,794	5,696
	164,587	205,038
Profit from Special Projects Fund for the year	170,947	213,907