



5 October 2016

Mr Matthew Tweedie  
Branch Director, Western Australian Branch  
Pharmacy Guild of Australia

Sent by email: [JGodsall@wa.guild.org.au](mailto:JGodsall@wa.guild.org.au)

Dear Mr Tweedie

**Re: Lodgement of financial accounts and statements – Pharmacy Guild of Australia, Western Australian Branch - year ended 30 June 2016 (FR2016/285)**

I refer to the financial report for the year ended 30 June 2016 for the Pharmacy Guild of Australia, Western Australian Branch. The documents were lodged with the Fair Work Commission on 21 September 2016.

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

Please note the financial report for the year ending 30 June 2017 may be subject to an advanced compliance review.<sup>1</sup>

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 assists 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](#).<sup>2</sup>

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<sup>1</sup> A copy of the checklist used in an advanced compliance review is available at <https://www.fwc.gov.au/documents/documents/organisations/factsheets/org-financial-report-checklist-advanced.pdf>

<sup>2</sup> <https://www.fwc.gov.au/registered-organisations/compliance-governance/financial-reporting>

If you require further information on the financial reporting requirements of the Act, or wish to discuss the above, I may be contacted by email at [stephen.kellett@fwc.gov.au](mailto:stephen.kellett@fwc.gov.au).

Yours sincerely

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

Stephen Kellett  
Senior Adviser  
Regulatory Compliance Branch

## ***The Pharmacy Guild of Australia (WA Branch)***

### **DESIGNATED OFFICER CERTIFICATE<sup>1</sup>**

Certificate for the period ended 30 June 2016

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 2016 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the *2016 Annual Report and Financials for the year ended 30 June 2016* was provided to members of the reporting unit on 19 August 2016 and
- that the full report was presented to a *general meeting of members* of the reporting unit on 20 September 2016 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:

20/09/2016

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<sup>1</sup> 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 2016**

# 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 19 August 2016 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 2016:

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: 19 August 2016

# 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 2016 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 \$378,095 (2015: \$423,187)

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 2016 to which this report relates the number of financial members of the organisation was 495 including Honorary Life Members;
- b) As at 30 June 2016 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  
Natalie Willis  
Andrew Ngeow  
Anthony Masi  
Lenette Mullen

President  
Senior Vice President & Alternative National Councillor  
Vice President Finance & Alternative National Councillor  
Vice President  
National Councillor

# THE PHARMACY GUILD OF AUSTRALIA WESTERN AUSTRALIAN BRANCH

## OPERATING REPORT CONTINUED

### Branch Committee

Greg Da Rui	Great Southern Country
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
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: 19 August 2016



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

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2016**

	NOTE	2016 \$	2015 \$
Revenue	2	3,205,700	3,491,341
Employee benefits expense		(1,472,946)	(1,409,158)
National council dues		(439,143)	(760,980)
Members Service		(412,591)	(355,045)
Depreciation and amortisation expense		(52,855)	(61,838)
Capitation fees		(2,585)	(2,025)
Affiliation fees		-	-
Fees/allowances – meetings and conferences		(10,817)	(8,420)
Grants and donations		(29,900)	(9,155)
Finance costs		-	-
Legal costs – litigation		-	-
Legal costs - other		(16,688)	(55,172)
Audit fees	3	(20,500)	(19,500)
Net loss from sale of assets		-	-
Compulsory levies paid		-	-
Consideration to employers for payroll deductions		-	-
Penalties imposed under to RO Act		-	-
Write down and impairment of ASSETS		-	-
Other expenses		(369,580)	(386,861)
		<hr/>	<hr/>
Profit for the year		378,095	423,187
		<hr/>	<hr/>
Other Comprehensive Income			
		<hr/>	<hr/>
Total Comprehensive Income		378,095	423,187
		<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 2016**

	NOTE	2016 \$	2015 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	6,296,460	5,528,409
Trade and other receivables	5	86,770	211,533
Inventories	6	-	-
Other current assets	7	91,026	77,754
		<hr/>	<hr/>
<b>Total Current Assets</b>		6,474,256	5,817,696
<b>NON CURRENT ASSETS</b>			
Trade and other receivables	5	-	-
Property, plant and equipment	8	3,464,349	3,523,916
		<hr/>	<hr/>
<b>Total Non Current Assets</b>		3,464,349	3,523,916
		<hr/>	<hr/>
<b>TOTAL ASSETS</b>		9,938,605	9,341,612
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	1,547,738	1,348,506
Short term provisions	10	135,878	141,080
		<hr/>	<hr/>
<b>Total Current Liabilities</b>		1,683,616	1,489,586
<b>NON CURRENT LIABILITIES</b>			
Long term provisions	10	131,178	106,311
Trade and other payables	9	-	-
		<hr/>	<hr/>
<b>Total Non Current Liabilities</b>		131,178	106,311
		<hr/>	<hr/>
<b>TOTAL LIABILITIES</b>		1,814,794	1,595,897
		<hr/>	<hr/>
<b>NET ASSETS</b>		8,123,810	7,745,715
<b>EQUITY</b>			
Reserves		3,122,500	3,122,500
Retained earnings		5,001,310	4,623,215
		<hr/>	<hr/>
<b>TOTAL EQUITY</b>		8,123,810	7,745,715
		<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 2016**

	Retained Earnings General \$	Retained Earnings Special Projects \$	Capital Equipment Replacement Reserve \$	Capital Building Reserve \$	Asset Revaluation Reserve \$	Total \$
<b>Balance at 30 June 2014</b>	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	-	-	-	-	-	-
<b>Balance at 30 June 2015</b>	1,134,847	3,488,368	154,348	516,297	2,451,855	7,745,715
Profit for the year	378,095	-	-	-	-	378,095
Transfer from general funds	-	-	-	-	-	-
Transfer to general funds	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-
<b>Balance at 30 June 2016</b>	1,512,942	3,488,368	154,348	516,297	2,451,855	8,123,810

The accompanying notes form part of these financial statements.

**THE PHARMACY GUILD OF AUSTRALIA  
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**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2016**

	NOTE	2016 \$	2015 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from members		2,691,356	2,804,095
Receipts from Related Parties National Secretariat		430,973	449,765
Payments to suppliers and employees		(2,051,601)	(2,351,238)
Payments to related parties National Secretariat		(507,988)	(840,566)
Interest received		208,134	195,340
Net cash provided by operating activities	16	770,874	257,396
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of property, plant & equipment		(2,823)	(44,386)
Purchase of property, plant & equipment		(2,823)	(44,386)
Net cash provided by (used in) investing activities		(2,823)	(44,386)
Net increase/(decrease) in cash held		768,051	213,010
Cash at beginning of the year		5,528,409	5,315,399
Cash at end of year	4	6,296,460	5,528,409

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 2016

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 2016

### 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 2016

### 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 2016

### 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 2016

### **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 2016

### m. New Accounting Standards for Application in Future Periods

An assessment of Accounting Standards issued by the AASB that are not yet mandatorily applicable and their potential impact on the entity when adopted in future periods is discussed below:

- AASB 9: *Financial Instruments* and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 January 2018).  
The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments, and simplified requirements for hedge accounting.  
The key changes that may affect the association on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to the hedging of non-financial items. Should the entity elect to change its hedge policies in line with the new hedge accounting requirements of the Standard, the application of such accounting would be largely prospective.  
Although members of the committee anticipate that the adoption of AASB 9 may have an impact on the association's financial instruments, it is impracticable at this stage to provide a reasonable estimate of such impact.
- AASB 16: *Leases* (applicable to annual reporting periods beginning on or after 1 January 2019).

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: *Leases* and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard include:

- recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-to-use assets in line with AASB 116: *Property, Plant and Equipment* in profit or loss and unwinding of the liability in principal and interest components;
- variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date;
- by applying a practical expedient, a lessee is permitted to elect not to separate non-lease components and instead account for all components as a lease; and
- additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108: *Accounting Policies, Changes in Accounting Estimates and Errors* or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

# THE PHARMACY GUILD OF AUSTRALIA

## WESTERN AUSTRALIAN BRANCH

Although members of the committee anticipate that the adoption of AASB 16 will impact the association's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

### **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 2016**

	2016	2015
	\$	\$
<b>2. REVENUE</b>		
Operating Activities		
General fund revenue	1,309,568	1,243,801
Membership Subscriptions	993,552	1,305,101
Program Income	386,998	507,303
Grant and Donation Income	20,000	-
Special project fund revenue	287,448	239,797
Interest received – general fund	127,401	99,603
Interest received - special project fund	80,733	95,737
Capitation fees received	-	-
Compulsory levies raised	-	-
	3,205,700	3,491,341
Non-operating Activities	-	-
Total revenue	3,205,700	3,491,341

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	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>3. AUDITORS REMUNERATION</b>		
Remuneration of the auditor for:		
Auditing or reviewing the financial report	16,000	15,000
Other services	4,500	4,500
	20,500	19,500
	20,500	19,500

**4. CASH AND CASH EQUIVALENTS**

Cash at bank and in hand	6,296,460	5,528,409
Short term bank deposits	-	-
	6,296,460	5,528,409
	6,296,460	5,528,409

**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	6,168,182	5,480,556
Cash and cash equivalents – special projects fund	128,278	47,853
Bank overdrafts	-	-
	6,296,460	5,528,409
	6,296,460	5,528,409

**THE PHARMACY GUILD OF AUSTRALIA  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

	2016 \$	2015 \$
<b>5. TRADE AND OTHER RECEIVABLES</b>		
<b>CURRENT</b>		
Subscriptions and other receivables	86,770	211,533
Provision for doubtful debts	-	-
	86,770	211,533
<b>Total current trade and other receivables</b>	<b>86,770</b>	<b>211,533</b>
<b>NON CURRENT</b>		
Loan to Guild Shield Chemists	-	-
	-	-

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 2016 (2015: 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
2016	\$	\$	\$	\$	\$	\$
Subscriptions and other Receivables	86,770	-	61,169	6,147	12,157	7,297
	86,770	-	61,169	6,147	12,157	7,297
<b>Total</b>	<b>86,770</b>	<b>-</b>	<b>61,169</b>	<b>6,147</b>	<b>12,157</b>	<b>7,297</b>

**THE PHARMACY GUILD OF AUSTRALIA  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

**5. TRADE AND OTHER RECEIVABLES (CONT)**

**Credit Risk (Cont)**

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

		2016	2015
		\$	\$
<b>Financial assets classified as loans and receivables</b>			
Trade and other receivables	Note		
- total current	17	86,770	211,533
- total non-current	17	-	-
		<u>86,770</u>	<u>211,533</u>
Total		<u>86,770</u>	<u>211,533</u>

*Collateral pledged*

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

**6. INVENTORIES**

**CURRENT**

Stocks of stationery, packaging and signs	<u>-</u>	<u>-</u>
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**THE PHARMACY GUILD OF AUSTRALIA  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

	2016 \$	2015 \$
<b>7. OTHER CURRENT ASSETS</b>		
Prepayments	67,495	69,754
Accrued income	23,531	8,000
Accrued GST	-	-
	91,026	77,754
	91,026	77,754
<b>8. PROPERTY, PLANT &amp; EQUIPMENT</b>		
<b>Land &amp; buildings</b>		
Opening independent valuation	3,125,000	3,125,000
Revaluation	-	-
Additions	-	-
	3,125,000	3,125,000
Closing independent valuation	3,125,000	3,125,000
	3,125,000	3,125,000
<b>Office furniture &amp; equipment</b>		
At cost	1,109,360	1,106,537
Accumulated depreciation	(805,993)	(753,138)
	303,367	353,399
<b>Motor vehicles</b>		
At cost	63,565	63,565
Accumulated amortisation	(27,583)	(18,048)
	35,982	45,517
Total plant & equipment	339,349	398,916
Total property, plant & equipment	3,464,349	3,523,916



**THE PHARMACY GUILD OF AUSTRALIA  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

**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	353,399	45,517	3,523,916
Additions	-	2,823	-	2,823
Disposals	-	-	-	-
Depreciation & amortisation expense	-	(52,855)	(9,535)	(62,390)
Revaluation	-	-	-	-
Carrying amount at the end of year	<u>3,125,000</u>	<u>303,367</u>	<u>35,982</u>	<u>3,464,349</u>

**2016**  
\$                      **2015**  
\$

**9. TRADE & OTHER PAYABLES  
CURRENT**

Trade payables	15,204	54,861
Training administration fees	3,360	7,980
Income received in advance	1,105,582	829,722
Accrued expenses	81,034	84,137
Traineeship fees received in advance	239,057	274,276
Accrued GST & PAYG withholding	103,502	97,531
	<u>1,547,738</u>	<u>1,348,506</u>

There are no legal costs included in trade payable and accrued expenses.

**NON CURRENT**

-                      -

**THE PHARMACY GUILD OF AUSTRALIA  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

**10. PROVISIONS**

	<b>Annual leave \$</b>	<b>Long service leave \$</b>	<b>Other Provisions \$</b>	<b>Total \$</b>
Opening balance at 1 July 2015	97,109	106,311	43,971	247,391
Additional provisions	(11,020)	24,867	5,819	19,666
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 30 June 2016	<u>86,089</u>	<u>131,178</u>	<u>49,790</u>	<u>267,057</u>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>Analysis of total employee provision</b>			<b>2016</b>	<b>2015</b>
			<b>\$</b>	<b>\$</b>
<b>Office Holders:</b>				
Annual Leave			1,797	19,088
Long Service Leave			-	29,077
Separation and Redundancies			-	-
Other			-	-
Subtotal – Office Holders			<hr/> 1,797	<hr/> 48,165
			<hr/>	<hr/>
<b>Employees other than Office Holders:</b>				
Annual Leave			84,292	78,021
Long Service Leave			131,178	77,234
Separation and Redundancies			-	-
Other			49,790	43,971
Subtotal – Other employees			<hr/> 265,260	<hr/> 199,226
Total Employee Provisions			<hr/> <u>267,057</u>	<hr/> <u>247,391</u>
			<hr/> <hr/>	<hr/> <hr/>
Current			135,879	141,080
Non-current			131,178	106,311
			<hr/>	<hr/>
Total Employee Provisions			<u>267,057</u>	<u>247,391</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 2016**

**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**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Payable – minimum lease payments		
- not later than 12 months	-	-
- between 12 months & 5 years	-	-
- greater than 5 years	-	-
	-	-
	-	-
	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>

**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 2016**

**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 2016**

	2016	2015
	\$	\$
<b>Total Paid to National Secretariat 2016</b>		
2015/16 Subscriptions to National Secretariat.	486,711	831,726
Re-imbusement Telephone	13,401	15,869
Software & Software Development Re-imbusement	22,412	1,441
Student Capitations & CPD Accreditation Costs	5,294	8,834
Sundry Expenditure	6,732	857
	<b>534,550</b>	<b>858,727</b>
	<b>534,550</b>	<b>858,727</b>

**Funds Received from National Secretariat 2016**

**Total from National Secretariat 2016**

Programme Funding & Grants	425,996	418,419
Re-imbusement of President time to attend meeting etc	-	7,822
Re-imbusements of travel associated costs to attend meetings	2,235	5,399
Re-imbusement of software	-	11,301
Sundry Re-imbusement	236	5,000
Sponsorship	2,500	583
	<b>430,967</b>	<b>448,523</b>
	<b>430,967</b>	<b>448,523</b>

**Balances Receivable/Payable at Year End**

Receivable from National Secretariat	2,652	2,646
Payable to National Secretariat	1,154	27,716

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

**16. CASHFLOW INFORMATION**

	2016	2015
	\$	\$
<b>Reconciliation of cash flow from operations with profit from ordinary activities after income tax:</b>		
Profit after income tax	378,095	423,187
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit		
- Depreciation and amortisation	52,855	61,838
- Net Loss on Disposal of Property Plant and Equipment	-	-
Changes in assets and liabilities		
- (Increase)/decrease in trade and term debtors	124,763	(42,141)
- (Increase)/decrease in prepayments	2,259	(10,272)
- (Increase)/decrease in accrued income	(15,531)	4,443
- (Increase)/decrease in inventories	-	-
- Increase/(decrease) in trade and other payables	202,796	(125,271)
- Increase/(decrease) in employee benefits	19,666	(29,073)
- Increase/(decrease) in accrued GST	5,971	(25,315)
	770,874	257,396
<b>Cash flow from operations</b>	<b>770,874</b>	<b>257,396</b>

**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  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

**17. FINANCIAL RISK MANAGEMENT (CONT)**

	Note	2016 \$	2015 \$
<b>Financial Assets</b>			
Cash and cash equivalents	4	6,296,460	5,528,409
Loans and receivables	5	86,770	211,553
Other current assets	7	25,531	8,000
		6,408,761	5,747,962
<b>Financial Liabilities</b>			
Trade and other payables	9	15,204	54,861
		15,204	54,861

**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 2016

### 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	
	2016 \$	2015 \$	2016 \$	2015 \$	2016 \$	2015 \$	2016 \$	2015 \$
<b>Financial liabilities</b>								
Trade & sundry payables	15,204	54,861	-	-	-	-	15,204	54,861
Lease liabilities	-	-	-	-	-	-	-	-
<b>Total financial liabilities</b>	<u>15,204</u>	<u>54,861</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,204</u>	<u>54,861</u>
<b>Financial assets</b>								
Cash & cash equivalents	6,296,460	5,528,409	-	-	-	-	6,296,460	5,528,409
Short-term deposits	-	-	-	-	-	-	-	-
Trade & other receivables	86,770	211,553	-	-	-	-	86,770	211,553
Other current assets	25,531	8,000	-	-	-	-	25,531	8,000
<b>Total financial assets</b>	<u>6,408,761</u>	<u>5,747,962</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,408,761</u>	<u>5,747,962</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 2016

### 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  
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**17. FINANCIAL RISK MANAGEMENT (Cont)**

**Net Fair Values (Cont)**

	Footnote	2016		2015	
		Net Carrying Value	Net Fair Value	Net Carrying Value	Net Fair Value
		\$	\$	\$	\$
<b>Financial assets</b>					
Cash & cash equivalents	(i)	6,296,460	6,296,460	5,528,409	5,528,409
Trade & other receivables	(i)	86,770	86,770	211,553	211,553
Other current assets	(i)	25,531	25,531	8,000	8,000
<b>Total financial assets</b>		<u>6,408,761</u>	<u>6,408,761</u>	<u>5,747,962</u>	<u>5,747,962</u>
<b>Financial liabilities</b>					
Trade & sundry payables	(i)	15,204	15,204	54,861	54,861
<b>Total financial liabilities</b>		<u>15,204</u>	<u>15,204</u>	<u>54,861</u>	<u>54,861</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.

# THE PHARMACY GUILD OF AUSTRALIA WESTERN AUSTRALIAN BRANCH

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

### 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>2016</u>	<u>2015</u>
	\$	\$
<b>Officers</b>		
Relievers Fees	50,000	22,824
Wages (inc annual leave taken)	70,310	270,247
Superannuation	4,757	40,123
Annual leave accrued	1,797	11,916
LSL	-	8,859
Separation/Redundancies	-	-
<b>Employees (Other than officers)</b>		
Wages (inc annual leave taken)	1,218,697	981,079
Superannuation	114,097	79,177
Annual leave accrued	(12,817)	(16,283)
LSL	24,867	238
Separation/Redundancies	8,548	820
Motor Vehicle FBT	12,921	10,158

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

**22. KEY MANAGEMENT PERSONNEL REMUNERATION**

Key Management Personnel comprise the Branch Executive and Branch Committee (see page 2 and 3) and Mr M Tweedie the Branch Director.

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>Short term employee benefits</b>		
Salary (inc annual leave taken)	280,023	270,247
Annual Leave accrued	(2,655)	11,916
Performance bonus	-	-
Relievers fees	50,000	22,824
Total short term employee benefits	327,368	304,987
<b>Post employment benefits</b>		
Superannuation	37,386	40,123
Total post-employment benefits	37,386	40,123
Other long term benefits	5,559	8,859
Termination benefits	-	-
Total	370,313	353,969

**23. DONATIONS OVER \$1000**

Name of Recipient	Address of recipient of Donation	Amount	Purpose of Donation
<b>WA Labor</b>	P O Box 8117, Perth BC WA 6849	\$3,000.00	One Attendee to 2015 Business Engagement Program
<b>WA Labor</b>	Kwinana Labor Campaign, 3 Chisham Ave, Kwinana WA 6167	\$1,000.00	Roger Cook Shadow Minister of Health & Scienceboardroom dinner Kwinana campaign
<b>Liberal Party of Australia (WA Div) Inc</b>	Stirling Federal Campaign, PO BOX 657, Innaloo WA 6918	\$1,500.00	Board room Dinner with Hon Sussan Ley MP on 13 April
<b>Nationals</b>	National Party of Australia, P O Box 6190 Kingston ACT 2604	\$3,500.00	Perth Dinner Party 11/4/16
<b>Liberal Party of Australia (WA Div) Inc</b>	P O Box 49, West Perth, 6872	\$2,000.00	Private Dinner with The Hon Kelly O'Dwyer MP 9 June 2016
<b>Liberal Party of Australia (WA Div) Inc</b>	P O Box 49, West Perth, 6872	\$7,000.00	2016 State Conference Business Observers Programme 12/8/16

# THE PHARMACY GUILD OF AUSTRALIA WESTERN AUSTRALIAN BRANCH

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

### 24. GRANTS & DONATIONS

Grants:	2016	2015
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	10,000	-
Donations:		
Total paid that were \$1,000 or less	1,900	1,337
Total paid that exceeded \$1,000	18,000	7,818
<b>Total grants or donations</b>	<b>29,900</b>	<b>9,155</b>

### 25. 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).

### 26 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 2016.

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 2016 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 19 day of August 2016

# THE PHARMACY GUILD OF AUSTRALIA WESTERN AUSTRALIAN BRANCH

MOORE STEPHENS

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

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2 The Esplanade, 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 2016, 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.

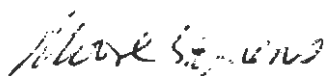
# THE PHARMACY GUILD OF AUSTRALIA WESTERN AUSTRALIAN BRANCH

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

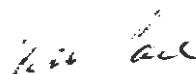
### *Auditor's opinion*

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 2016 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 *19* day of August 2016

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

**DETAILED INCOME AND EXPENDITURE STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2016  
GENERAL FUND**

	<b>2016</b>	<b>2015</b>
	\$	\$
<b>REVENUE</b>		
Commission	237,200	258,565
Members Services	508,369	417,311
Membership Subscriptions	993,552	1,305,101
Pharmacy Industry Training	476,475	496,706
Sundry Income	118,652	234,906
Interest Received	127,401	99,603
Pharmacy Forum	375,869	343,615
	2,837,518	3,155,807
<b>EXPENDITURE</b>		
Auditing Fees	20,500	19,500
Bank Fees	9,029	18,434
Branch Committee Expenses	65,065	34,344
Depreciation - Office Equipment	22,442	33,686
- Motor Vehicles	9,535	9,535
Dispatch & Postage	14,905	17,242
EDP Maintenance & Support	35,205	18,095
Insurance	30,581	27,374
Members Services	412,591	355,045
National Council Dues	439,143	760,980
Payroll Tax	81,465	76,643
Power and Light	7,947	8,343
Printing and Stationery	24,503	24,627
Professional Fees	32,051	31,963
Salaries – Employees	1,277,324	1,251,326
Sundry Expenses & Staff Training	65,794	54,016
Superannuation	118,854	119,300
Telephone and Facsimile	18,237	20,362
Training Division Expenses	11,265	22,752
	2,696,434	2,903,567
<b>TOTAL EXPENDITURE</b>	<b>2,696,434</b>	<b>2,903,567</b>
Profit from General Fund for the year	141,084	252,240



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

**DETAILED INCOME AND EXPENDITURE STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2016  
SPECIAL PROJECT FUND**

	<b>2016</b>	<b>2015</b>
	\$	\$
<b>REVENUE</b>		
Rent and Variable Outgoings Received	78,804	35,669
WA Industrial & Management Service Fee	208,644	204,128
Interest Received	80,733	95,737
Other Income	-	-
	368,181	335,534
<b>EXPENDITURE</b>		
Cleaning Services & Supplies	27,086	31,960
Depreciation	30,413	28,152
Donations	19,900	9,155
Industrial Costs	12,813	46,017
Legal Cover Expenses	3,874	4,138
Rates & Taxes	36,572	32,371
Sundry Expenses	511	12,794
	131,170	164,587
Profit from Special Projects Fund for the year	237,011	170,947