



5 December 2018

Mr Andrew Ngeow  
Branch President  
Pharmacy Guild of Australia, The-Western Australia Branch  
1322 Hay Street  
West Perth WA 6005

By email: [reception@wa.guild.org.au](mailto:reception@wa.guild.org.au)

CC: [perth@moorestephens.com.au](mailto:perth@moorestephens.com.au)

Dear Mr Ngeow,

**Pharmacy Guild of Australia, The-Western Australia Branch  
Financial Report for the year ended 30 June 2018 - [FR2018/227]**

I acknowledge receipt of the financial report of The Pharmacy Guild of Australia - Western Australia Branch (**PGA-WA**). The documents were lodged with the Registered Organisations Commission (**the ROC**) on 13 September 2018.

The financial report has now been filed.

The financial report was 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 2019 may be subject to an advanced compliance review.

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

**Auditor's Report**

Audit scope to include officer's declaration statement

Where nil activity disclosures are contained in an officer's declaration statement, in accordance with reporting guideline 21, the officer's declaration statement also forms part of a general purpose financial report prepared under section 253 of the RO Act (see subsection 253(2)(c) of the RO Act).

Please also note that an officer's declaration statement must, where one is prepared, be identified by title in the auditor's statement in accordance with paragraph 24(c) of Australian Auditing Standard ASA 700 *Forming an Opinion and Reporting on a Financial Report*.

An officer's declaration statement was included in the copy of the documents lodged with the ROC but the auditor did not refer to the statement in the auditor's report.

In addition, I note that under the heading 'Auditor's responsibilities for the Audit of the Financial Report', a link is provided to the Auditing and Assurance Standards Board website in relation to a description of the auditor's responsibilities for the audit of the financial report. The sample auditor's report in the model financial statements includes those responsibilities in the report. The ROC considers it best practice for this information to be included in the auditor's report and that members of all registered organisations are provided with this information in the first instance and are not required to 'search' for this information themselves.

#### Disclosure of payables in respect of legal costs

Reporting guideline 16(b) requires a payable in relation to legal costs to be disclosed by litigation and by other legal matters. Reporting guideline 21 states that if any activities described within items 10-20 have not occurred in the reporting period, a statement to this effect must be included in the financial statements, the notes or in an officer's declaration statement.

Although an accrual for legal expense has been included under Note 9, a liability for legal costs by litigation and other legal matters has not been disclosed. In future years please ensure that these liability items are disclosed in accordance with the reporting guidelines.

#### References to the ROC

Following the enactment of the *Fair Work (Registered Organisations) Amendment Act 2016*, the ROC is the new regulator for registered organisations, with effect from 1 May 2017. All references to the Fair Work Commission (**FWC**) and General Manager must be changed to the Registered Organisations Commission and Commissioner except in relation to declaration (e)(vi) in the committee of management statement.

Note 25 in the financial report refers to the General Manager of the FWC instead of the Commissioner.

#### Officer's declaration statement – to include all nil activity disclosures not elsewhere disclosed.

Item 21 of the reporting guidelines states that if any of the activities identified within items 10-20 of the reporting guidelines have not occurred in the reporting period, a statement to this effect must be included either in the financial statements, the notes or in the officer's declaration statement. I note that the officer's declaration statement includes the following nil activity disclosures for which there was already an equivalent form of disclosure in the body of the notes:

- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission; and
- fees incurred as consideration for employers making payroll deductions of membership subscriptions.

Please note that nil activities only need to be disclosed once.

#### Nil activities disclosure

Item 21 of the reporting guidelines states that if any of the activities identified within items 10-20 of the reporting guidelines have not occurred in the reporting period, a statement to this effect must be included either in the financial statements, the notes or in the officer's declaration statement. The notes and the officer's declaration statement contained nil activity information for all prescribed reporting guidelines categories except the following:

- receive donations or grants (reporting guideline 13(d)); and
- expenses due to holding a meeting as required under the rules of the organisation (reporting guideline 14(i)).

Please ensure in future years that the above mentioned items are disclosed in either the financial statements, the notes or in the officer's declaration statement as per the reporting guidelines.

In addition, Note 26 states that “None of the activities set out in items 10, 11 and 12 of the Reporting Guidelines occurred during the year ended 30 June 2018”. The non-occurring activities intended to be covered by this statement would not be obvious to the reader, bearing in mind that the ordinary member would not usually or readily have a copy of the reporting guidelines to accompany their reading of the financial report. The purpose of item 21 is to make transparent for the members where particular kinds of financial activity have not occurred in any given year.

Please ensure in future that each non-occurring activity contained in reporting guidelines 10-20 is separately described.

### **Reporting Requirements**

The ROC website provides a number of factsheets in relation to the financial reporting process and associated timelines. The website also contains the s.253 reporting guidelines and a model set of financial statements. The ROC recommends that reporting units use these model financial statements to assist in ensuring complying with the RO Act, the s.253 reporting guidelines and the Australian Accounting Standards. Access to this information may be obtained via [this link](#).

If you have any queries regarding this letter, please contact me on (02) 8293 4654 or via email at [david.vale@roc.gov.au](mailto:david.vale@roc.gov.au).

Yours faithfully

A handwritten signature in blue ink that reads "David Vale". The signature is written in a cursive style with a long horizontal stroke extending to the right.

David Vale  
Registered Organisations Commission

## The Pharmacy Guild of Australia WA Branch

### OFFICER DECLARATION STATEMENT

I, *Andrew Ngeow*, being the *President* of the *Pharmacy Guild of Australia WA Branch*, declare that the following activities did not occur during the reporting period ending *30 June 2018*.

The reporting unit did not:

- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- receive revenue from undertaking recovery of wages activity
- incur fees as consideration for employers making payroll deductions of membership subscriptions
- have a fund or account for compulsory levies, voluntary contributions or required by the Rules of the organisation or branch
- have another entity administer the financial affairs of the reporting unit
- make a payment to a former related party of the reporting unit

Signed by the officer:



Dated: *11/09/2018*

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

**FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2018**

# THE PHARMACY GUILD OF AUSTRALIA WESTERN AUSTRALIAN BRANCH

<b>INDEX</b>	<b>Page</b>
Committee of management statement	1
Operating report	2 - 3
Statement of comprehensive income	4
Statement of financial position	5
Statement of changes in equity	6
Cash flow statement	7
Notes to the financial report	8 - 32
Statement by the members of the committee	33
Independent audit report	34 - 35
Income and expenditure statement – General Fund	36
Income and expenditure statement – Special Project Fund	37
Report required under subsection 255(2A)	38

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

## **COMMITTEE OF MANAGEMENT STATEMENT**

On 14 August 2018 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 2018:

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

- (a) The financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the RO Act);
- (c) The financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the 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 of a member of the reporting unit or the Commissioner duly made under section 272 of the RO Act, that information has been provided to the member or the Commissioner; and
  - vi. where any order for inspection of financial records made by the Fair Work Commission under section 273 of the RO Act, there has been compliance;
- (f) No revenue has been derived from undertaking recovery of wages activity during the reporting period.

This declaration is true, and I know that it is an offence to make a declaration knowing that it is false in a material particular – for and on behalf of the Committee of Management:

Natalie Willis  
Title of Office Held: Senior Vice President



Signature

Dated: 14 August 2018

# THE PHARMACY GUILD OF AUSTRALIA WESTERN AUSTRALIAN BRANCH

## OPERATING REPORT

I, Andrew Ngeow, being the designated officer responsible for preparing this report for the financial year ended 30 June 2018 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 \$Nil (2017: \$471,959)

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 2018 to which this report relates the number of financial members of the organisation was 501 including Honorary Life Members;
- b) As at 30 June 2018 the total number of employees employed by the reporting entity was 14.
- 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 Leave of absence from 11 October 2017  
resigned 15 March 2018

Natalie Willis

Senior Vice President  
Alternative National Councillor until 11 October  
National Councillor from 11 October 2017

Andrew Ngeow

Acting President from 11 October 2017  
Vice President Finance & Alternative National Councillor



# THE PHARMACY GUILD OF AUSTRALIA WESTERN AUSTRALIAN BRANCH

## OPERATING REPORT CONTINUED

Anthony Masi Vice President  
Alternative National Councillor from 13 March 2018  
Lenette Mullen National Councillor resigned 26 September 2017

### 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 resigned 26 September 2017
Ernie Pirone	Northern Metro
David Manuel	Perth City
Tom Golovoda	South Coastal Resigned 26 September 2017
Adrian Staltari	Eastern Metropolitan
Natalie Willis	South Perth Metro
Stephen Wragg	North Eastern Metro
Donna Pearson	West Coast Metro
Linda Keane	South West Country
Barbara Kirk	Fremantle Melville from 26 September 2017

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



Natalie Willis  
Date: 14 August 2018

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

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2018**

	NOTE	2018 \$	2017 \$
Revenue	2	2,946,589	3,530,642
Employee benefits expense		(1,328,880)	(1,496,498)
National council dues		(504,958)	(787,086)
Other member services		(88,444)	(143,129)
Pharmacy forum costs		(193,587)	(212,201)
Depreciation and amortisation expense		(56,741)	(48,528)
Capitation Fees		(6,133)	-
Advertising Fees		(3,654)	(3,528)
Affiliation Fees		-	-
Fees/allowances – meetings and conferences		(12,051)	(5,039)
Grants and donations		(27,069)	(32,353)
Finance costs		-	-
Legal costs - litigation		-	-
Legal costs - other		(354,309)	(14,118)
Audit fees		(21,750)	(21,000)
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		(349,013)	(295,203)
		<hr/>	<hr/>
Surplus (deficit) for the year		-	471,959
		<hr/>	<hr/>
Other comprehensive Income		-	-
		<hr/>	<hr/>
Total comprehensive income for the year		-	471,959
		<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 2018**

	NOTE	2018 \$	2017 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	6,588,737	6,490,430
Trade and other receivables	5	216,347	188,463
Inventories	6	-	-
Other current assets	7	197,975	180,094
<b>Total Current Assets</b>		<b>7,003,059</b>	<b>6,858,987</b>
<b>NON CURRENT ASSETS</b>			
Trade and other receivables	5	14,686	-
Property, plant and equipment	8	2,774,574	2,815,245
<b>Total Non Current Assets</b>		<b>2,789,260</b>	<b>2,815,245</b>
<b>TOTAL ASSETS</b>		<b>9,792,319</b>	<b>9,674,232</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	1,431,267	1,477,776
Short term provisions	10	422,521	252,936
<b>Total Current Liabilities</b>		<b>1,853,788</b>	<b>1,730,712</b>
<b>NON CURRENT LIABILITIES</b>			
Long term provisions	10	17,762	22,751
Trade and other payables	9	-	-
<b>Total Non Current Liabilities</b>		<b>17,762</b>	<b>22,751</b>
<b>TOTAL LIABILITIES</b>		<b>1,871,550</b>	<b>1,753,463</b>
<b>NET ASSETS</b>		<b>7,920,769</b>	<b>7,920,769</b>
<b>EQUITY</b>			
Reserves		2,447,500	2,447,500
Retained earnings		5,473,269	5,473,269
<b>TOTAL EQUITY</b>		<b>7,920,769</b>	<b>7,920,769</b>

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 2018**

	<b>Retained Earnings General</b>	<b>Retained Earnings Special Projects</b>	<b>Capital Equipment Replacement Reserve</b>	<b>Capital Building Reserve</b>	<b>Asset Revaluation Reserve</b>	<b>Total</b>
	\$	\$	\$	\$	\$	\$
<b>Balance at 30 June 2016</b>	471,959	-	-	-	-	471,959
Profit for the year	-	-	-	-	-	-
Transfer from general funds	-	-	-	-	-	-
Transfer to general funds	-	-	-	-	-	-
Revaluation	-	-	-	-	(675,000)	(675,000)
<b>Balance at 30 June 2017</b>	1,984,901	3,488,368	154,348	516,297	1,776,855	7,920,769
Profit for the year	-	-	-	-	-	-
Transfer from general funds	-	-	-	-	-	-
Transfer to general funds	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-
<b>Balance at 30 June 2018</b>	1,984,901	3,488,368	154,348	516,297	1,776,855	7,920,769

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 2018**

	NOTE	2018 \$	2017 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from members		2,208,089	2,636,962
Receipts from Related Parties National Secretariat		547,999	635,153
Payments to suppliers and employees		(2,191,218)	(2,238,926)
Payments to related parties National Secretariat		(598,425)	(921,630)
Interest received		147,932	156,834
		114,377	268,393
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of property, plant & equipment		-	20,611
Purchase of property, plant & equipment		(16,070)	(95,035)
		(16,070)	(74,424)
Net cash provided by (used in) investing activities		(16,070)	(74,424)
Net increase/(decrease) in cash held		98,307	193,939
Cash at beginning of the year		6,490,430	6,296,460
		6,588,737	6,490,430
Cash at end of year	4	6,588,737	6,490,430

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 2018

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 2018

### 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	33.33%
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 2018

### 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 2018

### 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 2018

### **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 2018

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

The AASB has issued a number of new and amended Accounting Standards that have mandatory application dates for future reporting periods, some of which are relevant to the organisation. The committee have decided not to early adopt any of the new and amended pronouncements. Their assessment of the pronouncements that are relevant to the organisation but applicable in future reporting periods is set out 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 organisation on initial application of 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 hedges 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.

The Committee anticipate that the adoption of AASB 9 will not have a significant impact on the organisation's financial instruments prepared in future periods.

- AASB 15: *Revenue from Contracts with Customers* (applicable to annual reporting periods beginning on or after 1 July 2018, as deferred by AASB 2015-8: *Amendments to Australian Accounting Standards – Effective Date of AASB 15*).

AASB 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers.

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Apart from a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contracts; and
- recognise revenue when (or as) the performance obligations are satisfied.

# THE PHARMACY GUILD OF AUSTRALIA WESTERN AUSTRALIAN BRANCH

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

### m. New Accounting Standards for Application in Future Periods (Cont)

The transitional provisions of this Standard permit an entity to either: restate the contracts that existed in each prior period presented per AASB 108: *Accounting Policies, Changes in Accounting Estimates and Errors* (subject to certain practical expedients in AASB 15); or recognise the cumulative effect of retrospective application to incomplete contracts on the date of initial application. There are also enhanced disclosure requirements regarding revenue.

The Committee anticipate that the adoption of AASB 15 will not have a significant impact on the organisation's financial statements prepared in future periods.

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 are as follows:

- recognition of a right-of-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-of-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;
- inclusion of variable lease payments that depend on an index or a rate in the initial measurement of the lease liability using the index or rate at the commencement date;
- application of a practical expedient to permit a lessee to elect not to separate non-lease components and instead account for all components as a lease; and
- inclusion of 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 or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

The Committee anticipate that the adoption of AASB 16 will not significantly impact the organisation's financial statements.

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

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

### **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 2018**

	2018	2017
	\$	\$
<b>2. REVENUE</b>		
Operating Activities		
Membership Subscriptions	1,258,344	1,353,518
Other membership services	61,268	159,942
Program income	445,191	484,043
Commission income	766	242,165
Pharmacy industry training income	294,933	367,710
Pharmacy forum	388,268	385,984
WA Industrial & Management Service Fee	202,342	209,748
Rental income	100,927	100,773
Interest received	147,932	156,834
Other income	46,619	66,900
Net gain from sale of assets	-	3,025
Capitation fees received	-	-
Compulsory levies raised	-	-
	2,946,589	3,530,642
Non-operating Activities	-	-
Total revenue	2,946,589	3,530,642

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

	2018	2017
	\$	\$
<b>3. AUDITORS REMUNERATION</b>		
Remuneration of the auditor for:		
Auditing or reviewing the financial report	17,000	16,000
Other services	4,750	4,500
	21,750	20,500
	21,750	20,500
 <b>4. CASH AND CASH EQUIVALENTS</b>		
Cash at bank and in hand	6,588,737	6,490,430
Short term bank deposits	-	-
	6,588,737	6,490,430
	6,588,737	6,490,430
 <b>Reconciliation of cash</b>		
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	6,535,663	6,280,748
Cash and cash equivalents – special projects fund	53,074	209,682
Bank overdrafts	-	-
	6,588,737	6,490,430
	6,588,737	6,490,430

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

	2018 \$	2017 \$
<b>5. TRADE AND OTHER RECEIVABLES</b>		
CURRENT		
Subscriptions and other receivables	216,347	188,463
Provision for doubtful debts	-	-
	216,347	188,463
Total current trade and other receivables	216,347	188,463
NON-CURRENT		
Loan to PGWA (Organisation of Employers)	14,686	-
	14,686	-

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 2018 (2017: 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
2018	\$	\$	\$	\$	\$	\$
Subscriptions and other Receivables	216,347	-	129,831	46,388	5,528	34,600
	216,347	-	129,831	46,388	5,528	34,600
Total	216,347	-	129,831	46,388	5,528	34,600



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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

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

**Credit Risk (Cont)**

	2017	\$	\$	\$	\$	\$	\$
Subscriptions and other Receivables	188,463	-	91,175	84,473	7,472	5,343	
	<u>188,463</u>	<u>-</u>	<u>91,175</u>	<u>84,473</u>	<u>7,472</u>	<u>5,343</u>	
Total	<u>188,463</u>	<u>-</u>	<u>91,175</u>	<u>84,473</u>	<u>7,472</u>	<u>5,343</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.

	2018	2017
	\$	\$
<b>Financial assets classified as loans and receivables</b>		
Trade and other receivables	Note	
- total current	17	216,347
- total non-current	17	14,686
		<u>188,463</u>
		<u>-</u>
Total		<u>231,033</u>
		<u>188,463</u>

*Collateral pledged*

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

**6. INVENTORIES**

**CURRENT**

Stocks of stationery, packaging and signs	-	-
	<u>-</u>	<u>-</u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

	2018 \$	2017 \$
<b>7. OTHER CURRENT ASSETS</b>		
Prepayments	121,418	109,406
Accrued income	76,557	70,688
	197,975	180,094
	197,975	180,094
<b>8. PROPERTY, PLANT &amp; EQUIPMENT</b>		
<b>Land &amp; buildings</b>		
Opening independent valuation	2,450,000	3,125,000
Revaluation	-	(675,000)
Additions	-	-
	2,450,000	2,450,000
Closing independent valuation	2,450,000	2,450,000
	2,450,000	2,450,000
<b>Office furniture &amp; equipment</b>		
At cost	1,172,917	1,156,847
Accumulated depreciation	(891,666)	(844,936)
	281,251	311,911
<b>Motor vehicles</b>		
At cost	66,742	66,742
Accumulated amortisation	(23,419)	(13,408)
	43,323	53,334
Total plant & equipment	324,574	362,245
Total property, plant & equipment	2,774,574	2,815,245

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

**8. PROPERTY, PLANT & EQUIPMENT (CONT)**

The Organisation's land & buildings was revalued in June 2017 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	2,450,000	311,911	53,334	2,815,245
Additions	-	16,070	-	16,070
Disposals	-	-	-	-
Depreciation & amortisation expense	-	(46,730)	(10,011)	(56,741)
Revaluation	-	-	-	-
Carrying amount at the end of year	2,450,000	281,251	43,323	2,774,574
	=====	=====	=====	=====
			<b>2018</b>	<b>2017</b>
			\$	\$

**9. TRADE & OTHER PAYABLES  
CURRENT**

Trade payables	85,462	32,567
Training administration fees	3,360	3,360
Income received in advance	913,970	1,072,983
Accrued expenses	193,842	105,378
Traineeship fees received in advance	141,168	134,886
Accrued GST & PAYG withholding	93,465	128,602
	1,431,267	1,477,776
	=====	=====

An \$85,000 legal expense accrual relating to work performed in the period relating to the industrial relation matter described in note 10 has been recognised in the accrued expenses balance above.

**NON-CURRENT**

	-	-
	=====	=====

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

**10. PROVISIONS**

	<b>Annual leave \$</b>	<b>Long service leave \$</b>	<b>Other Provisions \$</b>	<b>Total \$</b>
Opening balance at 1 July 2017	87,704	153,291	34,692	275,687
Additional provisions	(7,834)	(16,680)	189,110	164,596
	-----	-----	-----	-----
Balance at 30 June 2018	79,870	136,611	223,802	440,283
	=====	=====	=====	=====

**Provision for IR Matters Legal Expenses**

Other provisions include a conservative estimate on an Industrial Relations legal expense relating to PGAWA being listed as an intervenor in a case currently being run in the West Australian Industrial Relations Commission. The Shop, Distributive and Allied Employees Association (SDA) has commenced proceedings for an award determination against Chemist Warehouse in WA only which will impact on the members of PGWA and PGAWA.

<b>Analysis of IR Matters Legal Expenses Provision</b>	<b>2018 \$</b>	<b>2017 \$</b>
IR Matters	188,834	2,423

**Analysis of total employee provision**

**Office Holders:**

Annual Leave	2,320	2,909
Long Service Leave	-	831
Separation and Redundancies	-	-
Other	-	-
	-----	-----
Subtotal – Office Holders	2,320	3,740

**Employees other than Office Holders:**

Annual Leave	77,550	84,795
Long Service Leave	136,610	152,461
Separation and Redundancies	-	-
Other	34,969	32,269
	-----	-----
Subtotal – Other employees	249,129	269,525
	-----	-----
Total Employee Provisions	251,449	273,264
	=====	=====

Current	422,521	252,936
Non-current	17,762	22,751
	-----	-----
Total Provisions	440,283	275,687
	=====	=====

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

**10. PROVISIONS (CONT)**

**Provision for long term employee benefits**

A provision has been recognised for employee entitlements relating to long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits has been included in Note 1 to this report.

**11. RESERVES**

**General Reserves**

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

**Asset Revaluation Reserve**

The asset revaluation reserve records revaluations of land and buildings.

**12. CAPITAL & LEASING COMMITMENTS**

**Operating lease commitments**

	2018	2017
Payable – minimum lease payments	\$	\$
- not later than 12 months	-	-
- between 12 months & 5 years	-	-
- greater than 5 years	-	-
	-	-
	-	-

	2018	2017
	\$	\$

**13. CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

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

	-	-
	-	-

**14. EVENTS AFTER THE BALANCE SHEET DATE**

No significant events have occurred subsequent to the reporting date

# THE PHARMACY GUILD OF AUSTRALIA WESTERN AUSTRALIAN BRANCH

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

### 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 2018

	2018	2017
	\$	\$
<b>Total Paid to National Secretariat 2018</b>		
2017/18 Subscriptions to National Secretariat.	555,454	867,848
Re-imburement Telephone	11,413	12,364
Software & Software Development Re-imburement	24,404	24,932
Training Qualification Development Cost	-	11,397
Student Capitations & CPD Accreditation Costs	6,746	-
Travel expense re-imburement	-	2,339
Sundry Expenditure	1408	2,750
	599,425	921,630

#### Funds Received from National Secretariat 2018

<b>Total from National Secretariat 2018</b>		
Programme Funding & Grants	533,710	622,072
Re-imburement of President time to attend meeting etc	-	-
Re-imburements of travel associated costs to attend meetings	3,954	9,504
Re-imburement of software	-	-
Sundry Re-imburement	9,085	3,577
Sponsorship	1,250	-
	547,999	635,153

#### Balances Receivable/Payable at Year End

Receivable from National Secretariat	648	599
Payable to National Secretariat	14,504	-183

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

**16. CASHFLOW INFORMATION**

	2018	2017
	\$	\$
<b>Reconciliation of cash flow from operations with profit from ordinary activities after income tax:</b>		
Profit after income tax	-	471,959
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit		
- Depreciation and amortisation	56,741	48,528
- Net gain on Disposal of Property Plant and Equipment	-	-
Changes in assets and liabilities		
- (Increase)/decrease in trade and term debtors	(42,570)	(101,693)
- (Increase)/decrease in prepayments	(12,011)	(41,911)
- (Increase)/decrease in accrued income	(5,869)	(47,157)
- (Increase)/decrease in inventories	-	-
- Increase/(decrease) in trade and other payables	(11,272)	(72,812)
- Increase/(decrease) in employee provisions	(24,238)	8,630
- Increase/(decrease) in other provisions	189,110	-
- Increase/(decrease) in accrued GST	(35,514)	2,849
	114,377	268,393
<b>Cash flow from operations</b>	<b>114,377</b>	<b>268,393</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 WESTERN AUSTRALIAN BRANCH

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

### 17. FINANCIAL RISK MANAGEMENT (CONT)

	Note	2018 \$	2017 \$
<b>Financial Assets</b>			
Cash and cash equivalents	4	6,588,737	6,490,430
Trade and other receivables	5	231,033	188,463
Other current assets	7	197,975	180,094
		7,017,745	6,858,987
<b>Financial Liabilities</b>			
Trade & sundry payables	9	85,462	32,567
		85,462	32,567

#### Financial Risk Management Policies

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

#### Specific Financial Risk Exposure and Management

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

a. **Interest rate risk**

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



# THE PHARMACY GUILD OF AUSTRALIA WESTERN AUSTRALIAN BRANCH

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

### 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	
	2018 \$	2017 \$	2018 \$	2017 \$	2018 \$	2017 \$	2018 \$	2017 \$
<b>Financial liabilities</b>								
Trade & sundry payables	85,462	32,567	-	-	-	-	85,462	32,567
Lease liabilities	-	-	-	-	-	-	-	-
<b>Total financial liabilities</b>	<u>85,462</u>	<u>32,567</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>85,462</u>	<u>32,567</u>
<b>Financial assets</b>								
Cash & cash equivalents	6,588,737	6,490,430	-	-	-	-	6,588,737	6,490,430
Short-term deposits	-	-	-	-	-	-	-	-
Trade & other receivables	231,033	188,463	-	-	-	-	231,033	188,463
Other current assets	197,975	180,094	-	-	-	-	197,975	180,094
<b>Total financial assets</b>	<u>7,017,745</u>	<u>6,858,987</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,017,745</u>	<u>6,858,987</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 2018

### 17. FINANCIAL RISK MANAGEMENT (CONT)

#### Specific Financial Risk Exposure and Management (Cont)

d. Credit risk

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

Credit risk is managed through maintaining procedures ensuring, to the extent possible, that members and counterparties to transactions are of sound credit worthiness. All subscriptions receivable are past due. Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the committee has otherwise cleared as being financially sound.

#### *Credit risk exposure*

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

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

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

e. Price risk

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

#### Net Fair Values

##### Fair value estimation

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

# THE PHARMACY GUILD OF AUSTRALIA WESTERN AUSTRALIAN BRANCH

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

### 17. FINANCIAL RISK MANAGEMENT (Cont)

#### Net Fair Values (Cont)

	Footnote	2018		2017	
		Net Carrying Value \$	Net Fair Value \$	Net Carrying Value \$	Net Fair Value \$
<b>Financial assets</b>					
Cash & cash equivalents	(i)	6,588,737	6,588,737	6,490,430	6,490,430
Trade & other receivables	(i)	231,033	231,033	188,463	188,463
Other current assets	(i)	197,975	197,975	180,094	180,094
<b>Total financial assets</b>		7,017,745	7,017,745	6,858,987	6,858,987
<b>Financial liabilities</b>					
Trade & sundry payables	(i)	85,462	85,462	32,567	32,567
<b>Total financial liabilities</b>		85,462	85,462	32,567	32,567

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 2018

### 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>2018</u>	<u>2017</u>
	\$	\$
<b>Officers</b>		
Relievers Fees	62,384	62,400
Wages (inc annual leave taken)	55,587	50,080
Superannuation	5,013	4,757
Annual leave accrued	2,320	2,909
LSL	-	831
Separation/Redundancies	-	-
<b>Employees (Other than officers)</b>		
Wages (inc annual leave taken)	1,105,042	1,225,825
Superannuation	114,969	114,795
Annual leave accrued	(10,154)	(1,293)
LSL	(16,681)	21,281
Separation/Redundancies	-	-
Motor Vehicle FBT	10,400	14,913

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

**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.

	2018	2017
	\$	\$
<b>Short term employee benefits</b>		
Salary (inc annual leave taken)	273,689	283,169
Annual Leave accrued	27,142	12,281
Performance bonus	-	-
Relievers fees	62,384	62,400
Total short-term employee benefits	363,215	357,850
<b>Post employment benefits</b>		
Superannuation	30,709	25,258
Total post-employment benefits	30,709	25,258
Other long-term benefits	-	4,898
Termination benefits	-	-
Total	393,924	388,006

**23. DONATIONS OVER \$1000**

Name of Recipient	Address of recipient of Donation	Amount	Purpose of Donation
WA National	The Nationals for Regional Wa, P O Box 1418, West Perth, WA 6872	\$2,109	National Party State Conference & Convention
WA Labor	WA Labor P O Box 8117 Perth BC 6849	\$6,000	WA Labor Business Engagement Programme
WA Labor	Labor Business Roundtable, PO Box 8613, Perth Business Centree, WA 6849	\$4,000	Labor Forum Gold Member
WA Labor	WA Labor P O Box 8117 Perth BC 6849	\$4,000	WA Labor Gala Dinner – One Year Anniversary
Australian Labor Party	Parliament House Canberra ACT 2600	\$2,273	ALP Fed Board Room Dinner with Hon Catherine King Mp & Tim Hammond MP Perth

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

**23. DONATIONS OVER \$1000 (Cont)**

<b>Name of Recipient</b>	<b>Address of recipient of Donation</b>	<b>Amount</b>	<b>Purpose of Donation</b>
WA Labor	WA Labor P O Box 8117 Perth BC 6849	\$3,000	Farewell & Thank you Dinner with Dep Prem Hon Roger Cook & Min Rita Safiotti.
WA Labor	WA Labor P O Box 8117 Perth BC 6849	\$3,000	Dinner with Premier WA, the Hon Mark McGowan

**24. GRANTS & DONATIONS**

Grants:	<b>2018</b>	<b>2017</b>
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	2,687	2,818
Total paid that exceeded \$1,000	24,382	29,705
<b>Total grants or donations</b>	<b>27,069</b>	<b>35,523</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 2018.

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 32;

1. Presents a true and fair view of the financial position of The Pharmacy Guild of Australia Western Australian Branch as at 30 June 2018 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:



**NATALIE WILLIS**  
Senior Vice President



**ANTHONY MASI**  
Vice President

Dated this 14<sup>th</sup> day of August 2018

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

Level 15, Exchange Tower,  
2 The Esplanade, Perth, WA 6000  
PO Box 5785, St Georges Terrace,  
WA 6831

**Report on the Audit of the Financial Report**

T +61 (0)8 9225 5355

F +61 (0)8 9225 6181

**Opinion**

[www.moorestephens.com.au](http://www.moorestephens.com.au)

We have audited the financial report of The Pharmacy Guild of Australia, Western Australia Branch (the "Organisation", "Reporting Unit"), which comprises the statement of financial position as at 30 June 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2018, notes to the financial statements, including a summary of significant accounting policies, the Committee of Management Statement (refer page 1), the Subsection 255 (2A) Report (refer page 38) and the Statement by the Members of the Committee (refer page 33).

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of The Pharmacy Guild of Australia, Western Australia Branch as at 30 June 2018, and its financial performance and its cash flows for the year ended on that date in accordance with:

- a) the Australian Accounting Standards; and
- b) any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the RO Act).

We declare that management's use of the going concern basis in the preparation of the financial statements of the Reporting Unit is appropriate.

**Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of my report. We are independent of the Reporting Unit in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

**Information Other than the Financial Report and Auditor's Report Thereon**

The Committee of Management is responsible for the other information. The other information obtained at the date of this auditor's report is in the Operating Report accompanying the financial report. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



## AUDIT REPORT (CONTINUED)

### Responsibilities of Committee of Management for the Financial Report

The Committee of Management of the Reporting Unit is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the Committee of Management determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee of Management is responsible for assessing the Reporting Unit's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Committee of Management either intend to liquidate the Reporting Unit or to cease operations, or have no realistic alternative but to do so.

### Auditor's Responsibilities for the Audit of the Financial Report

Our objective is to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

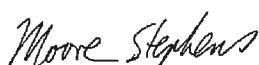
A further description of my responsibilities for the audit of the financial report is located at the Auditing and Assurance Standard Board website at [www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our audit report.

We communicate with the Committee of Management regarding, amongst other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I declare that I am an approved auditor, a member of the Chartered Accountants Australia & New Zealand and hold a current Public Practice Certificate.

### Report on Other Legal and Regulatory Requirements

In accordance with the requirements of section 257(7) of the RO Act, I am required to describe any deficiency, failure or shortcoming in respect of the matters referred to in section 252 and 257(2) of the RO Act. My opinion on the financial report is not modified in respect of these matters.



MOORE STEPHENS  
CHARTERED ACCOUNTANTS  
PERTH



NEIL PACE  
PARTNER  
REGISTERED AUDITOR #AA2017/14  
AND APPROVED AUDITOR FCA AND HOLDER  
OF A CURRENT PUBLIC PRACTICE CERTIFICATE

Signed at Perth this 14th day of August 2018.

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

**DETAILED INCOME AND EXPENDITURE STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2018  
GENERAL FUND**

	2018 \$	2017 \$
<b>REVENUE</b>		
Commission	766	242,165
Members Services	61,268	159,942
Membership Subscriptions	1,258,344	1,353,518
Pharmacy Industry Training	294,933	367,710
Program Income	445,191	484,043
Sundry Income	46,619	69,924
	2,107,121	2,677,303
<b>EXPENDITURE</b>		
Auditing Fees	21,750	21,000
Bank Fees	4,682	11,808
Branch Committee Expenses	76,984	71,649
Depreciation - Office Equipment	28,797	15,676
- Motor Vehicles	10,011	9,585
Dispatch & Postage	11,375	12,387
EDP Maintenance & Support	43,678	34,021
Insurance	27,785	16,872
Members Services	88,444	143,129
National Council Dues	504,958	787,086
Payroll Tax	63,286	85,143
Donations	27,069	32,523
Power and Light	8,893	8,755
Printing and Stationery	25,458	25,872
Professional Fees	9,509	45,986
Salaries – Employees	1,163,595	1,190,131
Sundry Expenses	32,111	62,243
Superannuation	119,982	119,552
Telephone and Facsimile	19,916	18,928
Training Division Expenses	11,096	17,638
	2,299,379	2,729,984
<b>TOTAL EXPENDITURE</b>	<b>2,299,379</b>	<b>2,729,984</b>
Profit from General Fund for the year	(192,258)	(52,681)

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

**DETAILED INCOME AND EXPENDITURE STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2018  
SPECIAL PROJECT FUND**

	<b>2018</b>	<b>2017</b>
	\$	\$
<b>REVENUE</b>		
Rent and Variable Outgoings Received	100,927	100,773
WA Industrial & Management Service Fee	202,342	209,748
Interest received	147,932	156,834
Pharmacy forum	388,268	385,984
	839,469	853,339
<b>EXPENDITURE</b>		
Cleaning Services & Supplies	41,948	39,846
Depreciation	17,933	23,267
Industrial Costs	350,454	7,414
Legal Cover Expenses	3,855	6,704
Rates & Taxes	35,141	36,745
Sundry Expenses	4,293	2,522
Pharmacy forum	193,587	212,201
	647,211	328,699
<b>Profit from Special Projects Fund for the year</b>	<b>192,258</b>	<b>524,640</b>

# THE PHARMACY GUILD OF AUSTRALIA WESTERN AUSTRALIAN BRANCH

## REPORT REQUIRED UNDER SUBSECTION 255(2A)

for the year ended 30 June 2018

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended 30 June 2018.

Categories of expenditures	2018 \$	2017 \$
Remuneration and other employment-related costs and expenses - employees	1,328,880	1,496,498
Advertising	3,654	3,528
Other operating costs	1,232,677	1,512,186
Donations to political parties	27,069	32,353
Legal costs	354,309	14,118



**NATALIE WILLIS**  
Senior Vice President

Dated this 14<sup>th</sup> day of August 2018

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

s.268 Fair Work ( *Registered Organisations*) Act 2009

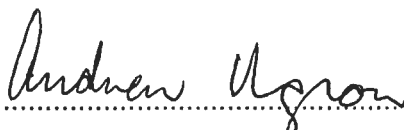
### **Certificate By Prescribed Designated Officer<sup>1</sup>**

Certificate for the year ended 30 June 2018

I *Andrew Ngeow* 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 2018 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the *2018 Annual Report and Financials* was provided to members of the reporting unit on 20 August 2018 ; and
- that the full report was presented to a *general meeting of members*<sup>2</sup> of the reporting unit on 11 September 2018 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer: .....



Name of prescribed designated officer: Andrew Ngeow

Title of prescribed designated officer: President

Dated: 11 Sept 2018

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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.

<sup>2</sup> Adjust certificate as appropriate to reflect the facts.