



1 November 2019

Mr Andrew Ngeow
President, Western Australia Branch
Pharmacy Guild of Australia
1322 Hay Street
WEST PERTH WA 6005

By e-mail: Ms Janice Godsall
jgodsall@wa.guild.org.au

Cc: Mr Neil Pace, Auditor
perth@moorestephens.com.au

Dear Mr Ngeow

Re: – Pharmacy Guild of Australia, Western Australia Branch - financial report for year ending 30 June 2019 (FR2019/182)

I refer to the financial report of the Western Australia Branch (**the Branch**) of the Pharmacy Guild of Australia. The documents were lodged with the Registered Organisations Commission (**ROC**) on 19 September 2019. A corrected designated officer certificate was received on 31 October 2019.

The financial report has now been filed.

You are not required to take any further action in respect of the report lodged. I make the following comments to assist you when you next prepare a financial report.

Statement of comprehensive income

Disclosure of capitation fees or other expense to other reporting unit(s)

Reporting guideline 14(b) states:

Total amounts for the following items of expenditure must be disclosed either in the notes to the financial statements or on the face of the statement of comprehensive income, in accordance with Australian Accounting Standards:

- b) *where the reporting unit has paid a capitation fee (or equivalent terminology referred to in the organisations rules e.g. sustentation fees) or any other expense to another reporting unit:*
 - i. *the description of each item of expenditure;*
 - ii. *the amount paid to each reporting unit; and*
 - iii. *the name of each such reporting unit;*

I was advised that the above expense item is disclosed as “National council dues” in the statement of comprehensive income and as “2018/19 Subscriptions to National Secretariat” at note 15, and that the separate line item described as “Capitation Fees” in the statement of

comprehensive income relates to a different kind of expense. The disclosures are consistent with the Branch's previous reports and I am satisfied the report has complied with reporting guideline 14(b) but the use of the descriptor "Capitation Fees" for the other kind of expense is confusing and I recommend that the descriptor be amended in future reports to make it clearer which expense corresponds to the reporting guideline.

General purpose financial report to be prepared on accrual basis

Paragraph 27 of Australian Accounting Standard *AASB101 Presentation of Financial Statements*, states that 'an entity shall prepare its financial statements, except for cash flow information, using the accrual basis of accounting'.

Note 1 states that the financial report has been prepared on an accruals basis. However I was advised that the difference between particular amounts in the related party note 15 and amounts for relevant corresponding items in the statement of comprehensive income was due to the related party note reporting the cash amounts transacted. Future reports should disclose all figures on the accrual basis, except for cash flow information.

If this means a change of accounting policy this will need to be disclosed in accordance with *AASB 108 (Accounting Policies, Changes in Accounting Estimates and Errors)*. You may need to discuss this with your auditor.

Disclosure of meeting-related expenses

Reporting guideline 14(i) requires separate disclosure of *expenses (other than expenses included in an amount referred to elsewhere* in reporting guideline 14) that were incurred in connection with holding meetings, as required under the rules of the organisation, and for which the reporting unit was wholly or partly responsible.¹

I was not able to identify this disclosure in the audited statements or notes although I noted the line item "Branch Committee Expenses" in the detailed statement of income and expenditure on page 38.

All items of revenue and expense required to be separately disclosed by reporting guidelines 13 and 14 respectively should be disclosed in the audited statements.

Other

Committee of management statement – recovery of wage revenue declaration

Item 26 of the 5th edition reporting guidelines sets out the declarations to be included in the committee of management statement. The nil activity declaration (f) about revenue from recovery of wage activity formerly required to be included in the committee of management statement² is now a separate revenue item³ to be included in the body of the report or an officer's declaration statement. I note that the officer's declaration statement did contain the nil activity disclosure for wage recovery revenue. Future committee of management statements should omit the declaration (f).

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 complying with the RO Act, the s.253 reporting

¹ This is a separate item to reporting guideline 14(h) which requires separate disclosure of *fees and/or allowances* paid to persons in respect of their attendances as representatives of the reporting unit at conferences or other meetings. The fees and allowance item appears to be disclosed in the statement of comprehensive income as "Fees – meeting and conferences".

² See 4th edition of reporting guidelines superseded by the current 5th edition

³ See reporting guideline 13(e)

guidelines and Australian Accounting Standards. Access to this information is available via [this link](#).

If you have any questions about the above or the reporting requirements, please do not hesitate to contact me by email at stephen.kellett@roc.gov.au.

Yours faithfully

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
Financial Reporting
Registered Organisations Commission

The Pharmacy Guild of Australia (WA Branch)

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

Certificate By Prescribed Designated Officer¹

Certificate for the year ended 30 June 2019

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 2019 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 21 August 2019; and
- that the full report was presented to a *general meeting of members²* of the reporting unit on 17 September 2019 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer: *Andrew Ngeow*

Name of prescribed designated officer: Andrew Ngeow

Title of prescribed designated officer: President

Dated: 17 Sept 2019

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

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

² Adjust certificate as appropriate to reflect the facts.

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

**FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

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

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

COMMITTEE OF MANAGEMENT STATEMENT

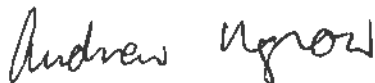
On 20 August 2019 the Committee of Management of The Pharmacy Guild of Australia WA Branch passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30 June 2019:

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:

Andrew Ngeow
Title of Office Held: President



Signature
Dated: 20 August 2019

**THE PHARMACY GUILD OF AUSTRALIA
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OPERATING REPORT

I, Andrew Ngeow, being the designated officer responsible for preparing this report for the financial year ended 30 June 2019 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 \$238,633 (2018: \$Nil)

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 2019 to which this report relates the number of financial members of the organisation was 501 including Honorary Life Members;
- b) As at 30 June 2019 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

Andrew Ngeow

Acting President until 21 August 2018

President from 21 August 2018

Alternative National Councillor until 21 August 2018

National Councillor from 21 August 2018

Natalie Willis

Senior Vice President from 11 September 2018

Vice President until 11 September 2018

National Councillor

**THE PHARMACY GUILD OF AUSTRALIA
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OPERATING REPORT CONTINUED

Anthony Masi

Vice President (Finance) from 11 Sept 2018
Alternative National Councillor

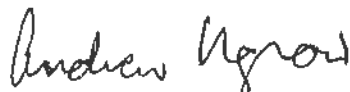
Branch Committee

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
Ernie Pirone	Northern Metro
David Manuel	Perth City
Tom Golovoda	South Coastal From 4 July 2018
Adrian Staltari	Eastern Metropolitan
Natalie Willis	South Perth Metro
Donna Pearson	West Coast Metro
Linda Keane	South West Country
Barbara Kirk	Fremantle Melville
Nicholas Partridge	North Eastern Metro

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



ANDREW NGEOW
Date: 20 August 2019

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

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019**

	NOTE	2019 \$	2018 \$
Revenue	2	3,054,800	2,946,589
Employee benefits expense		(1,356,512)	(1,328,880)
National council dues		(500,359)	(504,958)
Other member services		(52,030)	(88,444)
Pharmacy forum costs		(193,891)	(193,587)
Depreciation and amortisation expense		(52,503)	(56,741)
Capitation Fees		(4,863)	(6,133)
Advertising Fees		(3,278)	(3,654)
Affiliation Fees		-	-
Fees – meetings and conferences		(12,024)	(12,051)
Grants and donations		(50,627)	(27,069)
Finance costs		-	-
Legal costs - litigation		-	-
Legal costs - other		(138,919)	(354,309)
Audit fees		(22,250)	(21,750)
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		(428,911)	(349,013)
		<hr/>	<hr/>
Surplus (deficit) for the year		238,633	-
		<hr/>	<hr/>
Other comprehensive Income		-	-
		<hr/>	<hr/>
Total comprehensive income for the year		238,633	-
		<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 2019**

	NOTE	2019 \$	2018 \$
CURRENT ASSETS			
Cash and cash equivalents	4	5,591,887	6,588,737
Trade and other receivables	5	237,576	216,347
Managed investments – at market value		968,664	-
Inventories	6	-	-
Other current assets	7	165,485	197,975
		<hr/>	<hr/>
Total Current Assets		6,963,612	7,003,059
NON CURRENT ASSETS			
Trade and other receivables	5	-	14,686
Property, plant and equipment	8	2,767,480	2,774,574
		<hr/>	<hr/>
Total Non Current Assets		2,767,480	2,789,260
		<hr/>	<hr/>
TOTAL ASSETS		9,731,092	9,792,319
CURRENT LIABILITIES			
Trade and other payables	9	1,299,845	1,431,267
Short term provisions	10	266,817	422,521
		<hr/>	<hr/>
Total Current Liabilities		1,566,662	1,853,788
NON CURRENT LIABILITIES			
Long term provisions	10	5,027	17,762
Trade and other payables	9	-	-
		<hr/>	<hr/>
Total Non Current Liabilities		5,027	17,762
		<hr/>	<hr/>
TOTAL LIABILITIES		1,571,689	1,871,550
		<hr/>	<hr/>
NET ASSETS		8,159,403	7,920,769
EQUITY			
Reserves		2,447,500	2,447,500
Retained earnings		5,711,903	5,473,269
		<hr/>	<hr/>
TOTAL EQUITY		8,159,403	7,920,769
		<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 2019**

	Retained Earnings General \$	Retained Earnings Special Projects \$	Capital Equipment Replacement Reserve \$	Capital Building Reserve \$	Asset Revaluation Reserve \$	Total \$
Balance at 30 June 2017	1,984,902	3,488,368	154,348	516,297	1,776,855	7,920,770
Profit for the year	-	-	-	-	-	-
Transfer from general funds	-	-	-	-	-	-
Transfer to general funds	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-
Balance at 30 June 2018	1,984,902	3,488,368	154,348	516,297	1,776,855	7,920,770
Profit for the year	238,633	-	-	-	-	238,633
Transfer from general funds	-	-	-	-	-	-
Transfer to general funds	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-
Balance at 30 June 2019	2,223,535	3,488,368	154,348	516,297	1,776,855	8,159,403

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 2019**

	NOTE	2019 \$	2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members		2,167,695	2,208,089
Receipts from Related Parties National Secretariat		678,896	547,999
Payments to suppliers and employees		(2,429,008)	(2,191,218)
Payments to related parties National Secretariat		(602,028)	(598,425)
Interest received		148,504	147,932
		<hr/>	<hr/>
Net cash provided by operating activities	16	(35,941)	114,377
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant & equipment		10,274	-
Purchase of property, plant & equipment		(51,400)	(16,070)
Purchase of investments		(919,783)	-
		<hr/>	<hr/>
Net cash provided by (used in) investing activities		(960,909)	(16,070)
		<hr/>	<hr/>
Net increase/(decrease) in cash held		(996,850)	98,307
Cash at beginning of the year		6,588,737	6,490,430
		<hr/>	<hr/>
Cash at end of year	4	5,591,887	6,588,737
		<hr/>	<hr/>

The accompanying notes form part of these financial statements.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

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 2019**

e. 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.

Please refer to the new accounting standards for application in future Periods (note o) below for how this note will change in the following financial year, note that the organisation does hold any significant operating or finance leases.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

e. Financial Instruments

Financial assets and financial liabilities are recognised when the organisation becomes a party to the contractual provisions of the instrument.

Financial Assets

Initial Recognition and Measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the association's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the association initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Classification and Subsequent Measurement

Financial assets at fair value through profit and loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

Trade and other payables

Liabilities are recognised for amounts to be paid for goods or services received. Trade payables are settled on terms aligned with the normal commercial terms in the Organisation's operation. They are measured at amortised cost using the effective interest rate method.

Non-derivative financial assets

Loans and receivables are fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

f. Financial Instruments (Cont)

The organisation's trade and most other receivables fall into this category of financial instruments.

Impairment

For trade receivables the Organisation applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

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.

g. 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

h. 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.

i. 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.

j. 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 2019**

k. 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).

l. 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.

m. 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.

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n. Adoption of new and revised accounting standards

AASB 9 Financial Instruments became effective from the 1 January 2018. Please refer to the financial instrument note above (note e) for details of the changes. Management have determined that the adoption of this amended standard has not had a material impact on the Organisation.

o. New Accounting Standards for Application in Future Periods

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Group has decided not to early adopt these Standards. The following paragraphs summarise those future requirements and their impact on the Organisation where the standard is relevant.

AASB 1058: Income of Not-for-Profit Entities and AASB 15 Revenue for contracts with customers

Applicable to annual reporting periods beginning on or after 1 January 2019. This Standard is applicable to transactions that do not arise from enforceable contracts with customers involving performance obligations.

The significant accounting requirements of AASB 1058 are as follows:

- Income arising from an excess of the initial carrying amount of an asset over the related contributions by owners, increases in liabilities, decreases in assets and revenue should be immediately recognised in profit or loss. For this purpose, the assets, liabilities and revenue are to be measured in accordance with other applicable Standards.
- Liabilities should be recognised for the excess of the initial carrying amount of a financial asset (received in a transfer to enable the entity to acquire or construct a recognisable non-financial asset that is to be controlled by the entity) over any related amounts recognised in accordance with the applicable Standards. The liabilities must be amortised to profit or loss as income when the entity satisfies its obligations under the transfer.

An entity may elect to recognise volunteer services or a class of volunteer services as an accounting policy choice if the fair value of those services can be measured reliably, whether or not the services would have been purchased if they had not been donated.

Recognised volunteer services should be measured at fair value and any excess over the related amounts (such as contributions by owners or revenue) immediately recognised as income in profit or loss.

The transitional provisions of this Standard permit an entity to either: restate the contracts that existed in each prior period presented in accordance with AASB 108 (subject to certain practical expedients); or recognise the cumulative effect of retrospective application to incomplete contracts on the date of initial application. For this purpose, a completed contract is a contract or transaction for which the entity has recognised all of the income in accordance with AASB 1004 Contributions.

AASB 1058 and AASB 15 are not expected to significantly impact the Organisation's financial statements.

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

AASB 16 Leases

AASB replaces the current AASB 17 lease standard. AASB 16 removes the classification of leases as either operating leases or finance leases, effectively treating all leases as finance leases. Most leases will be capitalized on the balance sheet by recognizing a "right-of-use" asset and a lease liability for the present value obligation. This will result in an increase in the recognized assets and liabilities in the statement of financial position as well as a change in expense recognition, with interest and depreciation replacing operating lease expense.

Lessor accounting remains similar to current practice, i.e. lessors continue to classify leases as finance and operating leases.

The standard is mandatory for annual reporting periods beginning on or after 1 January 2019. At this stage, the Organisation does not intend to adopt the standard before its effective date and does not expect its impact to be significant

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	2019	2018
	\$	\$
2. REVENUE		
Operating Activities		
Membership Subscriptions	1,255,308	1,258,344
Other membership services	124,044	106,268
Program income	445,191	445,191
Commission income	294	766
Pharmacy industry training income	257,682	294,933
Pharmacy forum	379,791	388,268
WA Industrial & Management Service Fee	201,083	202,342
Re-imbursements of Industrial Relation Legal Costs	170,756	-
Rental income	-	100,927
Interest received	148,504	147,932
Other income	984	1,618
Net gain from sale of assets	4,282	-
Capitation fees received	-	-
Compulsory levies raised	-	-
Market value movement in managed investments	48,881	-
Grant income	18,000	-
	3,054,800	2,946,589
Non-operating Activities	-	-
Total revenue	3,054,800	2,946,589

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	2019	2018
	\$	\$
3. AUDITORS REMUNERATION		
Remuneration of the auditor for:		
Auditing or reviewing the financial report	17,500	17,000
Other services	4,750	4,750
	22,250	21,750
	22,250	21,750

4. CASH AND CASH EQUIVALENTS

Cash at bank and in hand	5,591,887	6,588,737
Short term bank deposits	-	-
	5,591,887	6,588,737
	5,591,887	6,588,737

Reconciliation of cash

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

Cash and cash equivalents - general	5,470,041	6,535,663
Cash and cash equivalents – special projects fund	121,846	53,074
Bank overdrafts	-	-
	5,591,887	6,588,737
	5,591,887	6,588,737

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	2019 \$	2018 \$
5. TRADE AND OTHER RECEIVABLES		
CURRENT		
Subscriptions and other receivables	237,576	216,347
Provision for doubtful debts	-	-
	237,576	216,347
Total current trade and other receivables	237,576	216,347
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 2019 (2018: 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 \$
2019	\$	\$	\$	\$	\$	\$
Subscriptions and other Receivables	237,576	-	164,844	38,931	28,563	5,238
	237,576	-	164,844	38,931	28,563	5,238
Total	237,576	-	164,844	38,931	28,563	5,238

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5. TRADE AND OTHER RECEIVABLES (CONT)

Credit Risk (Cont)

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

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.

	2019	2018
	\$	\$
Financial assets classified as loans and receivables		
Trade and other receivables		
- total current	237,576	216,347
- total non-current	-	14,686
Total	237,576	231,033

Collateral pledged

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

6. INVENTORIES

CURRENT

Stocks of stationery, packaging and signs	-	-
-------------------------------------------	---	---

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	2019 \$	2018 \$
7. OTHER CURRENT ASSETS		
Prepayments	127,381	121,418
Accrued income	38,104	76,557
	165,485	197,975
	165,485	197,975
 8. PROPERTY, PLANT & EQUIPMENT		
Land & buildings		
Opening independent valuation	2,450,000	2,450,000
Revaluation	-	-
Additions	-	-
	2,450,000	2,450,000
Closing independent valuation	2,450,000	2,450,000
	2,450,000	2,450,000
 Office furniture & equipment		
At cost	1,224,317	1,172,917
Accumulated depreciation	(935,358)	(891,666)
	288,959	281,251
 Motor vehicles		
At cost	47,548	66,742
Accumulated amortisation	(19,027)	(23,419)
	28,521	43,323
Total plant & equipment	317,480	324,574
Total property, plant & equipment	2,767,480	2,774,574

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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	281,251	43,323	2,774,574
Additions	-	51,400	-	51,400
Disposals	-	-	(5,990)	(5,990)
Depreciation & amortisation expense	-	(43,692)	(8,812)	(52,503)
Revaluation	-	-	-	-
Carrying amount at the end of year	<u>2,450,000</u>	<u>288,959</u>	<u>28,521</u>	<u>2,767,480</u>

	2019 \$	2018 \$
9. TRADE & OTHER PAYABLES		
CURRENT		
Trade payables	81,799	85,462
Legal Costs Payable:		
- Litigation	-	-
- Other legal costs	62,576	85,000
Training administration fees	3,360	3,360
Income received in advance	823,413	913,970
Accrued expenses	132,610	108,842
Traineeship fees received in advance	105,046	141,168
Accrued GST & PAYG withholding	91,041	93,465
	<u>1,299,845</u>	<u>1,431,267</u>
NON-CURRENT	<u>-</u>	<u>-</u>

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10. PROVISIONS

	Annual leave \$	Long service leave \$	Other Provisions \$	Total \$
Opening balance at 1 July 2018	79,870	136,611	223,802	440,283
Movement in provisions	(4,153)	21,142	(185,428)	(168,439)
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 30 June 2019	<u>75,717</u>	<u>157,753</u>	<u>38,374</u>	<u>271,844</u>
			2019	2018
			\$	\$
IR Matters Legal Expenses Provision				
IR Matters			-	188,834
Analysis of total employee provision				
Office Holders:				
Annual Leave			6,064	2,320
Long Service Leave			464	-
Separation and Redundancies			-	-
Other			-	-
Subtotal – Office Holders			<hr/> 6,528	<hr/> 2,320
Employees other than Office Holders:				
Annual Leave			69,653	77,550
Long Service Leave			157,289	136,610
Separation and Redundancies			-	-
Other			38,374	34,969
Subtotal – Other employees			<hr/> 265,316	<hr/> 249,129
Total Employee Provisions			<hr/> <u>271,844</u>	<hr/> <u>251,449</u>
Current			266,817	422,521
Non-current			5,027	17,762
			<hr/>	<hr/>
Total Provisions			<u>271,844</u>	<u>440,283</u>

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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

Payable – minimum lease payments	2019	2018
	\$	\$
- not later than 12 months	-	-
- between 12 months & 5 years	-	-
- greater than 5 years	-	-
	<u> </u>	<u> </u>
	<u> </u>	<u> </u>

2019	2018
\$	\$

13. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

-	-
<u> </u>	<u> </u>

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
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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. Transactions with the other Pharmacy Guild state branches are also noted below.

During the year the organisation provided grant funding to the Pharmacy Guild of WA (Organisation of Employers) to the value of \$24,186, this organisation is a related party by virtue of having common officers.

<u>Funds Paid to Related Parties 2019</u>	2019 \$	2018 \$
Total Paid to National Secretariat		
2018/19 Subscriptions to National Secretariat,	537,378	555,454
Re-imburement Telephone	9,040	11,413
Software & Software Development Re-imburement	20,027	24,404
Training Qualification Development Cost	-	-
Student Capitulations & CPD Accreditation Costs	5,349	6,746
Travel expense re-imburement	-	-
Sundry Expenditure	3,528	1,408
	<u>575,323</u>	<u>599,425</u>
 Total Paid to Pharmacy Guild of Australia QLD		
CPD Accreditation costs	450	-
Sundry Travel Re-imburements	930	225
	<u>1,380</u>	<u>225</u>
 Total Paid to Pharmacy Guild of Australia VIC		
Software Development Re-imburements	1,001	4,535
	<u>1,001</u>	<u>4,535</u>
 Total Paid to Pharmacy Guild of Australia SA		
Sundry Re-imburements	138	-
	<u>138</u>	<u>-</u>
 Total Paid to Pharmacy Guild of Western Australia		
Grant Funding	24,186	-
	<u>24,186</u>	<u>-</u>

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15. RELATED PARTY TRANSACTIONS (CONT)

Funds Received from Related Parties 2019

	2019	2018
	\$	\$
Total Received from National Secretariat		
Programme Funding & Grants	539,210	533,710
Re-imburement of travel associated costs to attend meetings	6,798	3,954
Re-imburements of Industrial Relation Legal Costs	170,756	-
Sundry Re-imburement	6,648	9,085
Sponsorship	1,250	1,250
	724,662	547,999
Total Received from Pharmacy Guild of Australia NSW		
Commissions	242	766
	242	766
Total Received from Pharmacy Guild of Australia QLD		
Training income	429	-
Sundry Re-imburements	2,642	2,922
	3,071	2,922
Total Received from Pharmacy Guild of Australia VIC		
Sundry Re-imburements	362	-
	362	-
Total Received from Pharmacy Guild of Australia SA		
Sundry Re-imburements	362	-
	362	-
Total Received from Pharmacy Guild of Australia TAS		
Sundry Re-imburements	362	-
	362	-
Total Received from Pharmacy Guild of Australia ACT		
Sundry Re-imburements	362	-
	362	-
Total Received from Pharmacy Guild of Australia NT		
Sundry Re-imburements	362	-
	362	-
Balances Receivable/Payable at Year End		
Receivable from National Secretariat	70,995	648
Payable to National Secretariat	2,277	14,504
Receivable from PGA NSW	81	-

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16. CASHFLOW INFORMATION

	2019	2018
	\$	\$
Reconciliation of cash flow from operations with profit from ordinary activities after income tax:		
Profit after income tax	238,633	-
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit		
- Depreciation and amortisation	52,503	56,741
- Net gain on Disposal of Property Plant and Equipment	(4,282)	-
- Revaluation of investments	(48,881)	-
Changes in assets and liabilities		
- (Increase)/decrease in trade and term debtors	(6,543)	(42,570)
- (Increase)/decrease in prepayments	(5,963)	(12,011)
- (Increase)/decrease in accrued income	38,454	(5,869)
- (Increase)/decrease in inventories	-	-
- Increase/(decrease) in trade and other payables	(127,113)	(11,272)
- Increase/(decrease) in employee provisions	(3,843)	(24,238)
- Increase/(decrease) in other provisions	(189,110)	189,110
- Increase/(decrease) in accrued GST	20,204	(35,514)
	(35,941)	114,377
Cash flow from operations	(35,941)	114,377

17. FINANCIAL RISK MANAGEMENT

Financial risk management policies

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

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

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17. FINANCIAL RISK MANAGEMENT (CONT)

	Note	2019 \$	2018 \$
Financial Assets			
Cash and cash equivalents	4	5,591,887	6,588,737
Trade and other receivables	5	237,576	231,033
Managed Investments		968,664	-
Other current assets	7	165,485	197,975
		6,963,612	7,017,745
Financial Liabilities			
Trade & sundry payables	9	144,375	85,462
		144,375	85,462

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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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	
	2019 \$	2018 \$	2019 \$	2018 \$	2019 \$	2018 \$	2019 \$	2018 \$
Financial liabilities								
Trade & sundry payables	144,375	85,462	-	-	-	-	144,375	85,462
Lease liabilities	-	-	-	-	-	-	-	-
Total financial liabilities	<u>144,375</u>	<u>85,462</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>144,375</u>	<u>85,462</u>
Financial assets								
Cash & cash equivalents	5,591,887	6,588,737	-	-	-	-	5,591,887	6,588,737
Managed Investments	968,664	-	-	-	-	-	968,664	-
Trade & other receivables	237,576	231,033	-	-	-	-	237,576	231,033
Other current assets	165,485	197,975	-	-	-	-	165,485	197,975
Total financial assets	<u>6,963,612</u>	<u>7,017,745</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,963,612</u>	<u>7,017,745</u>

Financial assets pledged as collateral

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

c. Foreign exchange risk

The Organisation is not exposed to fluctuations in foreign currencies

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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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17. FINANCIAL RISK MANAGEMENT (Cont)

Net Fair Values (Cont)

	Footnote	2019		2018	
		Net Carrying Value \$	Net Fair Value \$	Net Carrying Value \$	Net Fair Value \$
Financial assets					
Cash & cash equivalents	(i)	5,591,887	5,591,887	6,588,737	6,588,737
Managed Investments	(i)	968,664	968,664	-	-
Trade & other receivables	(i)	237,576	237,576	231,033	231,033
Other current assets	(i)	165,485	165,485	197,975	197,975
Total financial assets		<u>6,963,612</u>	<u>6,963,612</u>	<u>7,017,745</u>	<u>7,017,745</u>
Financial liabilities					
Trade & sundry payables	(i)	144,375	144,375	85,462	85,462
Total financial liabilities		<u>144,375</u>	<u>144,375</u>	<u>85,462</u>	<u>85,462</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 Land & Buildings and Managed Investments 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 2019**

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. The value of the Managed Investments is based on level 1 hierarchy, using quoted prices in active markets.

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>2019</u>	<u>2018</u>
	\$	\$
Officers		
Relievers Fees	36,400	62,384
Wages (inc annual leave taken)	120,344	55,587
Superannuation	11,922	5,013
Annual leave accrued	5,562	2,320
LSL	464	-
Separation/Redundancies	-	-
Employees (Other than officers)		
Wages (inc annual leave taken)	1,071,119	1,105,042
Superannuation	102,719	114,969
Annual leave accrued	(12,697)	(10,154)
LSL	20,679	(16,681)
Separation/Redundancies	-	-
Motor Vehicle FBT	-	10,400

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

22. KEY MANAGEMENT PERSONNEL REMUNERATION

Key Management Personnel comprise the Branch Executive and Branch Committee (see page 2 and 3) and [REDACTED] the Branch Director.

	2019 \$	2018 \$
Short term employee benefits		
Salary (inc annual leave taken)	334,824	273,689
Annual Leave accrued	2,594	27,142
Performance bonus	1,932	-
Relievers fees	36,400	62,384
	373,818	363,215
Post employment benefits		
Superannuation	33,118	30,709
	33,118	30,709
Other long-term benefits	6,945	4,533
Termination benefits	-	-
	413,881	398,457
Total	413,881	398,457

23. GRANTS AND DONATIONS OVER \$1000

GRANTS OVER \$1000

Name of Recipient of Grant	Address	Amount	Purpose of Grant
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

23. GRANTS AND DONATIONS OVER \$1000 (Cont)

DONATIONS OVER \$1000

Name of Recipient	Address of recipient of Donation	Amount	Purpose of Donation
██████████	██████████ Business ██████████	██████	██████████ ██████████
██████████	██████████ ██████████	██████	██████████ ██████████
██████████	██████████ ██████	██████	██████████ ██████████
██████████	██████████ ██████	██████	██████████ ██████████
██████████	██████████ ██████████	██████	██████████ ██████████

24. GRANTS & DONATIONS

Grants:	2019	2018
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	24,186	-
Donations:		
Total paid that were \$1,000 or less	2,168	2,687
Total paid that exceeded \$1,000	24,273	24,382
Total grants or donations	50,627	27,069

**THE PHARMACY GUILD OF AUSTRALIA
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

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

In accordance with the requirements of the *Fair Work (Registered Organisations) Act 2009*, the attention of members is drawn to the provisions of subsections (1) to (3) of section 272, which reads as follows:

Information to be provided to members or Commissioner:

- (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).

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 2019.

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.

27 FINANCIAL SUPPORT PROVIDED TO THE PGWA (Organisation of Employers)

The Pharmacy Guild of Australia WA branch has resolved to provide financial support to the Pharmacy Guild of WA (Organisation of Employers) until 31 August 2020 to enable PGWA to continue operating as a going concern.

**THE PHARMACY GUILD OF AUSTRALIA
WESTERNAUSTRALIAN 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 2019 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:



ANDREWNGEOW
President



NATALIE WILLIS
Senior Vice President

Dated this 20th day of August 2019

**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

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 2019, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2019, 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 40), the Statement by the Members of the Committee (refer page 34) and the officers declaration statement (refer page 41).

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 2019, 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

AUDIT REPORT (CONTINUED)

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.

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

My 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.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 reporting unit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee of management.

AUDIT REPORT (CONTINUED)

- Conclude on the appropriateness of the committee of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the reporting unit's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the reporting unit to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the reporting unit to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the reporting unit audit. I remain solely responsible for my audit opinion.

We communicate with the committee of management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during my audit.

I declare that I am an auditor registered under the RO Act.

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

MOORE STEPHENS
CHARTERED ACCOUNTANTS
PERTH

Neil Pace

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

Signed at Perth this 21st day of August 2019.

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

**DETAILED INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2019
GENERAL FUND**

	2019 \$	2018 \$
REVENUE		
Commission	294	766
Members Services	142,044	106,268
Membership Subscriptions	1,255,308	1,258,344
Pharmacy Industry Training	257,682	294,933
Program Income	445,191	445,191
Sundry Income	5,265	1,619
	2,105,784	2,107,121
EXPENDITURE		
Auditing Fees	22,250	21,750
Bank Fees	6,908	4,682
Branch Committee Expenses	52,062	76,984
Depreciation - Office Equipment	26,563	28,797
- Motor Vehicles	8,812	10,011
Dispatch & Postage	15,811	11,375
EDP Maintenance & Support	51,865	43,678
Insurance	27,301	27,785
Members Services	52,030	88,444
National Council Dues	500,359	504,958
Payroll Tax	63,286	63,286
Donations	26,441	27,069
Power and Light	8,237	8,893
Printing and Stationery	25,395	25,458
Professional Fees	9,533	9,509
Employee costs (not including super)	1,241,871	1,163,595
Sundry Expenses	56,040	32,111
Superannuation	114,641	119,982
Telephone and Facsimile	18,086	19,916
Training Division Expenses	16,574	11,096
	2,344,065	2,299,379
Profit/(Loss) from General Fund for the year	(238,281)	(192,258)

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

**DETAILED INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2019
SPECIAL PROJECT FUND**

	2019 \$	2018 \$
REVENUE		
Rent and Variable Outgoings Received	-	100,927
WA Industrial & Management Service Fee	201,083	202,342
Re-imbursements of Industrial Relation Legal Costs	170,756	-
Interest received	148,504	147,932
Pharmacy forum	379,791	388,268
Market value movement in managed investments	48,881	-
	949,015	839,469
EXPENDITURE		
Cleaning Services & Supplies	31,987	41,948
Depreciation	17,128	17,933
Industrial Costs	135,968	350,454
Legal Cover Expenses	2,951	3,855
Rates & Taxes	36,937	35,141
Sundry Expenses	53,239	4,293
Pharmacy forum	193,891	193,587
	472,101	647,211
Profit from Special Projects Fund for the year	476,914	192,258

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

REPORT REQUIRED UNDER SUBSECTION 255(2A)

for the year ended 30 June 2019

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended 30 June 2019.

Categories of expenditures	2019 \$	2018 \$
Remuneration and other employment-related costs and expenses - employees	1,356,512	1,328,880
Advertising	3,278	3,654
Other operating costs	1,293,185	1,232,677
Donations to political parties	24,273	27,069
Legal costs	138,919	354,309



ANDREW NGEOW
President

**THE PHARMACY GUILD OF AUSTRALIA
WESTERN AUSTRALIAN 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 2019.

The reporting unit did not:

- agree to receive financial support from another reporting unit to continue as a going concern
- 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 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: 