



6 October 2020

Andrew Ngeow
President, Western Australia Branch
The Pharmacy Guild of Australia

Dear Andrew Ngeow

Re: – Financial reporting – The Pharmacy Guild of Australia, Western Australia Branch – for year ending 30 June 2020 (FR2020/173)

I refer to the financial report of the Western Australia Branch of the Pharmacy Guild of Australia, in respect of the year ending 30 June 2020. The documents were lodged with the Registered Organisations Commission ('the ROC') on 18 September 2020.

The financial report has been filed. The financial report was filed based on a primary review. This involved confirming whether the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009* (RO Act) have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements. Please note the report for year ending 30 June 2021 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 when preparing the next report.

New Accounting Standards – AASB 15 and AASB 1058

Australian Accounting Standards AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income of Not-for-Profit Entities* are applicable to not-for-profit entities for periods beginning on or after 1 January 2019. When a new Australian Accounting Standard is adopted, paragraph 28 of Australian Accounting Standard AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* requires an entity to disclose certain information about the new Australian Accounting Standard such as the title, the nature of the change and, if applicable, a description of the transitional provisions.

Please note that in future years the reporting unit must include all relevant/required financial disclosures¹ in accordance with the Australian Accounting Standards. In relation to AASBs 15 and 1058, I draw attention to the following, as applicable, for future reference.

AASB 15 - Separate disclosure of revenue from contracts with customers²

Australian Accounting Standard AASB 15 *Revenue from Contracts with Customers* paragraph 113(a) requires an entity to disclose revenue from contracts with customers separately unless already disclosed separately in the statement of comprehensive income.

¹ e.g. updating policy information – see illustrative model financial statements (issued 25 June 2020) [Note 1.7 p.28 ff.]

² e.g. identification of contract revenue/other income categories [model P&L p.12] – disaggregation [model Note 3 p.45]

AASB 15 - Disaggregation of revenue from contracts with customers²

Australian Accounting Standard AASB 15 Revenue from Contracts with Customers paragraph 114 requires an entity to disaggregate revenue from contracts with customers into categories that depict how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors.

AASB 1058 - Disaggregation of income of not-for-profit entities²

Australian Accounting Standard AASB 1058 Income of Not-for-Profit Entities paragraph 26 requires an entity to disclose income recognised during the period, disaggregated into categories that reflect how the nature and amount of income are affected by economic factors based on the following categories:

- a. grants, bequests and donations of cash, other financial assets and goods;
- b. recognised volunteer services; and
- c. for government departments and other public sector entities, appropriation amounts recognised as income, by class of appropriation.

Redaction of information

Note 23 sets out particulars of donations exceeding \$1,000. This information replicates information provided in the statement of loans, grants and donations lodged separately in accordance with section 237 of the RO Act. Particulars prescribed by section 237 for the purpose of the statement of loans, grants and donations are not required to be also disclosed in financial reports prepared in accordance with section 253. Since the inclusion of this information in the financial report also does not appear to be a requirement of the rules of the organisation the ROC recommends that the branch discontinue including this information in future financial reports.

Note 22 also includes some personal identifying information. Australian Accounting Standard AASB 124 *Related Party Disclosures* paragraph 17 requires the disclosure of certain information relating to key management personnel/related parties, however, AASB 124 does not always require a reporting entity to identify those individuals. For example, where compensation is concerned, only the total category figures are required.

In accordance with its privacy policy, the ROC has redacted this information from its copy of the GPFR before publishing on its website. The ROC takes its obligations relating to privacy seriously and endeavours to ensure compliance with the *Privacy Act 1988*. A copy of the ROC privacy policy can be found via [this link](#).

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.¹ The ROC recommends that reporting units use these model financial statements to assist in complying with the RO Act, the s.253 Reporting Guidelines and Australian Accounting Standards. Access to this information is available via [this link](#).

Yours faithfully



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 2020

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 referred to in s.268 of the Fair Work (Registered Organisations) Act 2009; and
- that the full report was provided to members of the reporting unit on 20th August 2020; and
- that the full report was presented to a general meeting of members of the reporting unit on 15th September 2020 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: 16th September 2020

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

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

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

**FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020**

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

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**THE PHARMACY GUILD OF AUSTRALIA
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COMMITTEE OF MANAGEMENT STATEMENT

On 18 August 2020 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 2020:

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;

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: 18 August 2020

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 2020 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:

As a result of Covid 19 PGAWA has had to cancel its August 2020 annual Pharmacy Forum. PGAWA in collaboration with WADoH negotiated funding to maintain and support the continuance of critical community pharmacy services. Part of the funds were disbursed in June 2020 with the balance disbursed in July 2020. As a Not for Profit PGAWA also received a Government Cashflow Boost Grant.

Other than the above 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 deficit for the year amounted to \$179,836 (2019: \$238,633 (surplus))

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 2020 to which this report relates the number of financial members of the organisation was 529 including Honorary Life Members;
- b) As at 30 June 2020 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

President

Natalie Willis

National Councillor

Senior Vice President

Anthony Masi

National Councillor

Vice President (Finance)

Alternative National Councillor

Cont..

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

OPERATING REPORT CONTINUED

Branch Executive cont..

Donna Pearson Vice President (from 16/08/2019)
Alterative National Councillor (from 16/08/2019)

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
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: 18 August 2020

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

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020**

	NOTE	2020 \$	2019 \$
Revenue	2	4,643,075	3,054,800
Employee benefits expense	21	(1,584,686)	(1,356,512)
National council dues		(526,983)	(500,359)
Other member services		(81,960)	(52,030)
Pharmacy forum costs		(209,239)	(193,891)
Depreciation and amortisation expense		(59,544)	(52,503)
Capitation Fees – Immunisation Course		(4,485)	(4,863)
Advertising Fees		(28,695)	(3,278)
Affiliation Fees		-	-
Expenses incurred in holding meetings		(16,782)	(12,024)
Grants and donations	24	(1,694,668)	(50,627)
Finance costs		-	-
Legal costs - litigation		-	-
Legal costs - other		(34,855)	(138,919)
Audit fees		(22,500)	(22,250)
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		(558,514)	(428,911)
Surplus (deficit) for the year		<u>(179,836)</u>	<u>238,633</u>
Other comprehensive Income		-	-
Total comprehensive income for the year		<u>(179,836)</u>	<u>238,633</u>

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 2020**

	NOTE	2020 \$	2019 \$
CURRENT ASSETS			
Cash and cash equivalents	4	5,210,591	5,591,887
Trade and other receivables	5	21,819	237,576
Managed investments – at market value		1,992,026	968,664
Inventories	6	-	-
Other current assets	7	26,637	165,485
		<hr/>	<hr/>
Total Current Assets		7,251,073	6,963,612
NON CURRENT ASSETS			
Trade and other receivables	5	-	-
Property, plant and equipment	8	2,840,852	2,767,480
		<hr/>	<hr/>
Total Non Current Assets		2,840,852	2,767,480
		<hr/>	<hr/>
TOTAL ASSETS		10,091,925	9,731,092
CURRENT LIABILITIES			
Trade and other payables	9	1,798,034	1,299,845
Short term provisions	10	303,288	266,817
		<hr/>	<hr/>
Total Current Liabilities		2,101,322	1,566,662
NON CURRENT LIABILITIES			
Long term provisions	10	11,036	5,027
Trade and other payables	9	-	-
		<hr/>	<hr/>
Total Non Current Liabilities		11,036	5,027
		<hr/>	<hr/>
TOTAL LIABILITIES		2,112,358	1,571,689
		<hr/>	<hr/>
NET ASSETS		7,979,567	8,159,403
EQUITY			
Reserves		2,447,500	2,447,500
Retained earnings		5,532,067	5,711,903
		<hr/>	<hr/>
TOTAL EQUITY		7,979,567	8,159,403
		<hr/>	<hr/>

The accompanying notes form part of these financial statements.

**THE PHARMACY GUILD OF AUSTRALIA
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**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020**

	Retained Earnings General \$	Retained Earnings Special Projects \$	Capital Equipment Replacement Reserve \$	Capital Building Reserve \$	Asset Revaluation Reserve \$	Total \$
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
Profit for the year	(179,836)	-	-	-	-	(179,836)
Transfer from general funds	-	-	-	-	-	-
Transfer to general funds	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-
Balance at 30 June 2020	2,043,699	3,488,368	154,348	516,297	1,776,855	7,979,567

The accompanying notes form part of these financial statements.

**THE PHARMACY GUILD OF AUSTRALIA
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**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2020**

	NOTE	2020 \$	2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members and grants		5,010,719	2,846,591
Payments to suppliers, employees and members		(4,083,850)	(3,031,036)
Interest received		69,954	148,504
		<hr/>	<hr/>
Net cash provided by operating activities	16	996,823	(35,941)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant & equipment		-	10,274
Purchase of property, plant & equipment		(132,916)	(51,400)
Purchase of investments		(1,245,203)	(919,783)
		<hr/>	<hr/>
Net cash provided by (used in) investing activities		(1,378,119)	(960,909)
		<hr/>	<hr/>
Net increase/(decrease) in cash held		(381,296)	(996,850)
Cash at beginning of the year		5,591,887	6,588,737
		<hr/>	<hr/>
Cash at end of year	4	5,210,591	5,591,887
		<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 2020**

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 2020**

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. 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.

**THE PHARMACY GUILD OF AUSTRALIA
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

d. Financial Instruments (continued)

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 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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

e. 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.

f. 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.

g. 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.

h. 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.

i. 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).

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

j. 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.

k. 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 approximately every three years. Valuations are based on fair value which is a market-based measure.

l. Adoption of new and revised accounting standards

In the current year, the organisation has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period. The organisation had to change its accounting policies as a result of adopting the following standard:

AASB 16 replaced 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 capitalised 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 recognised 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 became mandatory for annual reporting periods beginning on or after 1 January 2019. The change in standard has had no impact to the organisation as the organisation does not hold any leases.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

	2020	2019
	\$	\$
2. REVENUE		
Operating Activities		
Membership Subscriptions	1,291,330	1,255,308
Other membership services	132,473	124,044
Program income	452,692	445,191
Commission income	275	294
Pharmacy industry training income	289,291	257,682
Pharmacy forum	402,859	379,791
WA Industrial & Management Service Fee	200,426	201,083
Re-imbursments of Industrial Relation Legal Costs	26,350	170,756
Rental income	-	-
Interest received	69,536	148,504
Other income	103,017	984
Net gain from sale of assets	-	4,282
Capitation fees received	-	-
Compulsory levies raised	-	-
Market value movement in managed investments	(221,841)	48,881
Grant income	1,896,667	18,000
	4,643,075	3,054,800
Non-operating Activities	-	-
Total revenue	4,643,075	3,054,800

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	200	2019
	\$	\$
3. AUDITORS REMUNERATION		
Remuneration of the auditor for:		
Auditing or reviewing the financial report	17,750	17,500
Other services	4,750	4,750
	22,500	22,250
	22,500	22,250

4. CASH AND CASH EQUIVALENTS

Cash at bank and in hand	5,210,591	5,591,887
Short term bank deposits	-	-
	5,210,591	5,591,887
	5,210,591	5,591,887

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	5,030,884	5,470,041
Cash and cash equivalents – special projects fund	179,707	121,846
Bank overdrafts	-	-
	5,210,591	5,591,887
	5,210,591	5,591,887

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	2020	2019
	\$	\$
5. TRADE AND OTHER RECEIVABLES		
CURRENT		
Subscriptions and other receivables	21,819	237,576
Provision for doubtful debts	-	-
	21,819	237,576
Total current trade and other receivables	21,819	237,576
NON-CURRENT		
Loan to PGWA (Organisation of Employers)	-	-
	-	-

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 2020 (2019: 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
2020	\$	\$	\$	\$	\$	\$
Subscriptions and other Receivables	21,819	-	14,873	5,449	808	689
	21,819	-	14,873	5,449	808	689
Total	21,819	-	14,873	5,449	808	689

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FOR THE YEAR ENDED 30 JUNE 2020**

5. TRADE AND OTHER RECEIVABLES (CONT)

Credit Risk (Cont)

	2019 \$	\$	\$	\$	\$	\$
Subscriptions and other Receivables	237,576	-	164,844	38,931	28,563	5,238
Total	<u>237,576</u>	<u>-</u>	<u>164,844</u>	<u>38,931</u>	<u>28,563</u>	<u>5,238</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.

	2020 \$	2019 \$
Financial assets classified as loans and receivables		
Trade and other receivables	Note	
- total current	17	21,819
- total non-current	17	-
Total		<u>21,819</u>
		<u>237,576</u>

Collateral pledged

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

6. INVENTORIES

CURRENT

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

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	2020	2019
	\$	\$
7. OTHER CURRENT ASSETS		
Prepayments	20,676	127,381
Accrued income	5,961	38,104
	26,637	165,485
	26,637	165,485
 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	1,357,232	1,224,317
Accumulated depreciation	(987,769)	(935,358)
	369,463	288,959
 Motor vehicles		
At cost	47,548	47,548
Accumulated amortisation	(26,159)	(19,027)
	21,389	28,521
Total plant & equipment	390,852	317,480
Total property, plant & equipment	2,840,852	2,767,480

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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	288,959	28,521	2,767,480
Additions	-	132,915	-	132,915
Disposals	-	-	-	-
Depreciation & amortisation expense	-	(52,411)	(7,132)	(59,543)
Revaluation	-	-	-	-
Carrying amount at the end of year	2,450,000	369,463	21,389	2,840,852
	2,450,000	369,463	21,389	2,840,852

2020
\$

2019
\$

**9. TRADE & OTHER PAYABLES
CURRENT**

Trade payables	150,384	81,799
Legal Costs Payable:		
- Litigation	-	-
- Other legal costs	600	62,576
Training administration fees	3,360	3,360
Income received in advance	1,249,639	823,413
Accrued expenses	127,114	132,610
Traineeship fees received in advance	119,149	105,046
Accrued GST & PAYG withholding	147,788	91,041
	1,798,034	1,299,845
	1,798,034	1,299,845

NON-CURRENT

-
=====

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10. PROVISIONS

	Annual leave \$	Long service leave \$	Other Provisions \$	Total \$
Opening balance at 1 July 2019	75,717	157,753	38,374	271,844
Movement in provisions	21,691	19,501	1,289	42,481
	-----	-----	-----	-----
Balance at 30 June 2020	97,408	177,254	39,663	314,325
	=====	=====	=====	=====

Analysis of total employee provision

Office Holders:

Annual Leave	9,718	6,064
Long Service Leave	918	464
Separation and Redundancies	-	-
Other	-	-

Subtotal – Office Holders	10,636	6,528
---------------------------	--------	-------

Employees other than Office Holders:

Annual Leave	87,689	69,653
Long Service Leave	176,336	157,289
Separation and Redundancies	-	-
Other	39,663	38,374

Subtotal – Other employees	303,688	265,316
----------------------------	---------	---------

Total Employee Provisions	314,324	271,844
	=====	=====

Current	303,288	266,817
Non-current	11,036	5,027

Total Provisions	314,324	271,844
	=====	=====

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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

	2019	2019
	\$	\$
Payable – minimum lease payments	-	-
- not later than 12 months	-	-
- between 12 months & 5 years	-	-
- greater than 5 years	-	-
	-	-
	-	-
	2019	2019
	\$	\$

13. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Estimates of the potential effect of contingent liabilities and assets that may become payable or receivable:	-	-
	-	-

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14. EVENTS AFTER THE BALANCE SHEET DATE

On the 11th March 2020, the World Health Organisation declared the Coronavirus or COVID 19 a pandemic. COVID 19 is a health risk that has global consequences which has significantly affected the world economy. The strategies adopted by governments in dealing with the virus at an international, domestic and local level are changing daily and re-assessments by governments and world leaders is ongoing. Various industries have and will continue to be impacted more than others for some time to come.

With respect to the financial reporting period ended 30 June 2020 the financial statements have been prepared based upon conditions existing as at that date. There is a consensus that the effects of the COVID 19 outbreak are the result of an event that arose during the reporting period, although its effects have continued to evolve subsequent to year end.

The COVID 19 pandemic has created unprecedented uncertainty in terms of the overall economic environment such that economic events and conditions in future may be materially different from those experienced by the organisation as at the date of this report. At this time, it is not possible for the organisation to estimate the future effects of COVID 19 on its operations as any impact will depend on the magnitude and duration of any economic downturn, with the full range of possible effects unknown.

As a result of Covid 19 PGAWA has had to cancel its August 2020 annual Pharmacy Forum. PGAWA in collaboration with WADoH negotiated funding to maintain and support the continuance of critical community pharmacy services. Part of the funds were disbursed in June 2020 with the balance disbursed in July 2020. As a Not for Profit PGAWA will receive a further Government Cashflow Boost Grant.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the organisation, the results of those operations or the state of affairs of the organisation in future financial years.

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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 \$2,090 this organisation is a related party by virtue of having common officers.

<u>Funds Paid to Related Parties 2020</u>	2020	2019
	\$	\$
Total Paid to National Secretariat		
2019/2020 Subscriptions to National Secretariat.	526,983	537,378
Re-imburement - Telephone	8,547	9,040
Software & Software Development Re-imburement	21,374	20,027
Training Qualification Development Cost	-	-
Student Capitations & CPD Accreditation Costs	4,485	5,349
Travel expense re-imburement	-	-
Sundry Expenditure	2,836	3,528
	564,225	575,323
 Total Paid to Pharmacy Guild of Australia QLD		
CPD Accreditation costs	450	450
Sundry Travel Re-imburements	-	930
	450	1,380
 Total Paid to Pharmacy Guild of Australia VIC		
Software Development Re-imburements	-	1,001
	-	1,001
 Total Paid to Pharmacy Guild of Australia SA		
Sundry Re-imburements	-	138
	-	138
 Total Paid to Pharmacy Guild of Western Australia		
Grant funding	1,900	24,186
	1,900	24,186

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15. RELATED PARTY TRANSACTIONS (CONT)

Funds Received from Related Parties 2020

	2020	2019
	\$	\$
Total Received from National Secretariat		
Programme Funding	506,211	539,210
Re-imbursement of travel associated costs to attend meetings	2,223	6,798
Re-imbursments of Industrial Relation Legal Costs	26,350	170,756
Sundry Re-imbursement	5,225	6,648
Sponsorship	-	1,250
Training Monies collected on behalf of PGAWA Training	88,770	-
	628,779	724,662
 Total Received from Pharmacy Guild of Australia NSW		
Commissions	395	242
	242	242
 Total Received from Pharmacy Guild of Australia QLD		
Training income	-	429
Sundry Re-imbursments	1,565	2,642
	1,565	3,071
 Total Received from Pharmacy Guild of Australia VIC		
Sundry Re-imbursments	93	362
	93	362
 Total Received from Pharmacy Guild of Australia SA		
Sundry Re-imbursments	93	362
	93	362
 Total Received from Pharmacy Guild of Australia TAS		
Sundry Re-imbursments	93	362
	93	362
 Total Received from Pharmacy Guild of Australia ACT		
Sundry Re-imbursments	93	362
	93	362
 Total Received from Pharmacy Guild of Australia NT		
Sundry Re-imbursments	93	362
	93	362
 Balances Receivable/Payable at Year End		
Receivable from National Secretariat	4,020	70,995
Payable to National Secretariat	33,244	2,277
Receivable from PGA NSW	60	81

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**NOTES TO THE FINANCIAL STATEMENTS
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16. CASHFLOW INFORMATION

	2020	2019
	\$	\$
Reconciliation of cash flow from operations with profit from ordinary activities:		
Net Profit/(loss)	(179,836)	238,633
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit		
- Depreciation and amortisation	59,544	52,503
- Net gain on Disposal of Property Plant and Equipment	-	(4,282)
- Revaluation of investments	221,841	(48,881)
Changes in assets and liabilities		
- (Increase)/decrease in trade and term debtors	215,757	(6,543)
- (Increase)/decrease in prepayments	106,705	(5,963)
- (Increase)/decrease in accrued income	32,143	38,454
- (Increase)/decrease in inventories	-	-
- Increase/(decrease) in trade and other payables	441,442	(127,113)
- Increase/(decrease) in employee provisions	42,481	(3,843)
- Increase/(decrease) in other provisions	-	(189,110)
- Increase/(decrease) in accrued GST	56,746	20,204
	996,823	(35,941)
Cash flow from operations	996,823	(35,941)

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 9 as detailed in the accounting policies to these financial statements, are as follows:

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17. FINANCIAL RISK MANAGEMENT (CONT)

	Note	2020 \$	2019 \$
Financial Assets			
Cash and cash equivalents	4	5,210,591	5,591,887
Trade and other receivables	5	21,819	237,576
Managed Investments		1,992,026	968,664
Other current assets	7	26,637	165,485
		7,251,073	6,963,612
Financial Liabilities			
Trade & sundry payables	9	150,984	144,375
		150,984	144,375

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	
	2020 \$	2019 \$	2020 \$	2019 \$	2020 \$	2019 \$	2020 \$	2019 \$
Financial liabilities								
Trade & sundry payables	150,984	144,375	-	-	-	-	150,984	144,375
Total financial liabilities	150,984	144,375	-	-	-	-	150,984	144,375
Financial assets								
Cash & cash equivalents	5,210,591	5,591,887	-	-	-	-	5,210,591	5,591,887
Managed Investments	1,992,026	968,664	-	-	-	-	21,819	968,664
Trade & other receivables	21,819	237,576	-	-	-	-	1,992,026	237,576
Other current assets	26,637	165,485	-	-	-	-	26,637	165,485
Total financial assets	7,251,073	6,963,612	-	-	-	-	7,251,073	6,963,612

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	2020		2019	
		Net Carrying Value	Net Fair Value	Net Carrying Value	Net Fair Value
		\$	\$	\$	\$
Financial assets					
Cash & cash equivalents	(i)	5,210,591	5,210,591	5,591,887	5,591,887
Managed Investments	(i)	1,992,026	1,992,026	968,664	968,664
Trade & other receivables	(i)	21,819	21,819	237,576	237,576
Other current assets	(i)	26,637	26,637	165,485	165,485
Total financial assets		7,251,073	7,251,073	6,963,612	6,963,612
Financial liabilities					
Trade & sundry payables	(i)	150,984	150,984	144,375	144,375
Total financial liabilities		150,984	150,984	144,375	144,375

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

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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 community pharmacy 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>2020</u>	<u>2019</u>
	\$	\$
Officers		
Relievers Fees	59,310	36,400
Wages (inc annual leave taken)	107,113	120,344
Superannuation	10,051	11,922
Annual leave accrued	9,718	5,562
LSL	918	464
Separation/Redundancies	-	-
Employees (Other than officers)		
Wages (inc annual leave taken)	1,246,541	1,071,119
Superannuation	120,478	102,719
Annual leave accrued	11,974	(12,697)
LSL	18,583	20,679
Separation/Redundancies	-	-
Motor Vehicle FBT	-	-
Total	<u>1,584,686</u>	<u>1,356,512</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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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.

	2020	2019
	\$	\$
Short term employee benefits		
Salary (inc annual leave taken)	333,555	334,824
Annual Leave accrued	(871)	2,594
Performance bonus	-	1,932
Relievers fees	59,310	36,400
	391,994	373,818
Post employment benefits		
Superannuation	31,563	33,118
	31,563	33,118
Other long-term benefits		
Termination benefits	-	-
	6,790	6,945
	430,347	413,881
	=====	=====

23. GRANTS AND DONATIONS OVER \$1000

GRANTS OVER \$1000

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

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**NOTES TO THE FINANCIAL STATEMENTS
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23. GRANTS AND DONATIONS OVER \$1000 (Cont)

DONATIONS OVER \$1000

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

24. GRANTS & DONATIONS

Grants:	2020	2019
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	1,662,809	24,186
Donations:		
Total paid that were \$1,000 or less	1,586	2,168
Total paid that exceeded \$1,000	30,273	24,273
Total grants or donations	<u>1,694,668</u>	<u>50,627</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

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 2020.

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 2021 to enable PGWA to continue operating as a going concern.


**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 2020 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:



ANDREW NGEOW
President



NATALIE WILLIS
Senior Vice President

Dated this 18th day of August 2020

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

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

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 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2020, 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 39), the Statement by the Members of the Committee (refer page 33) and the officers declaration statement (refer page 40).

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 2020, 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 AUSTRALIA AUDIT (WA)
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 19th day of August 2020.

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

**DETAILED INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2020
GENERAL FUND**

	2020 \$	2019 \$
REVENUE		
Commission	275	294
Members Services	132,473	142,044
Membership Subscriptions	1,291,330	1,255,308
Pharmacy Industry Training	289,291	257,682
Program Income	452,692	445,191
Grant Income	1,896,667	-
Sundry Income	103,018	5,265
	4,165,746	2,105,784
EXPENDITURE		
Auditing Fees	22,500	22,250
Bank Fees	6,833	6,908
Branch Committee Expenses	76,092	52,062
Depreciation - Office Equipment	37,255	26,563
- Motor Vehicles	7,132	8,812
Dispatch & Postage	13,533	15,811
EDP Maintenance & Support	52,469	51,865
Insurance	29,384	27,301
Members Services	81,960	52,030
National Council Dues	526,983	500,359
Payroll Tax	82,427	63,286
Donations	-	26,441
Power and Light	6,273	8,237
Printing and Stationery	24,187	25,395
Professional Fees	29,795	9,533
Employee costs (not including super)	1,454,157	1,241,871
Grant related expenditure including disbursements	1,775,456	-
Sundry Expenses	78,309	56,040
Superannuation	130,529	114,641
Telephone and Facsimile	20,001	18,086
Training Division Expenses	6,571	16,574
	4,461,846	2,344,065
TOTAL EXPENDITURE	4,461,846	2,344,065
Profit/(Loss) from General Fund for the year	(296,100)	(238,281)

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

**DETAILED INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2020
SPECIAL PROJECT FUND**

	2020	2019
	\$	\$
REVENUE		
Rent and Variable Outgoings Received	-	-
WA Industrial & Management Service Fee	200,426	201,083
Re-imbursments of Industrial Relation Legal Costs	26,350	170,756
Interest received	69,536	148,504
Pharmacy forum	402,859	379,791
Market value movement in managed investments	(221,841)	48,881
	477,330	949,015
EXPENDITURE		
Cleaning Services & Supplies	30,267	31,987
Depreciation	12,918	17,128
Industrial Costs	24,597	135,968
Legal Cover Expenses	3,958	2,951
Rates & Taxes	37,037	36,937
Donations	31,859	-
Sundry Expenses	11,190	53,239
Pharmacy forum	209,239	193,891
	361,065	472,101
Profit from Special Projects Fund for the year	116,264	476,914

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

REPORT REQUIRED UNDER SUBSECTION 255(2A)

for the year ended 30 June 2020

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended 30 June 2020.

Categories of expenditures	2020 \$	2019 \$
Remuneration and other employment-related costs and expenses - employees	1,584,686	1,356,512
Advertising	28,695	3,278
Other operating costs	3,144,402	1,293,185
Donations to political parties	30,273	24,273
Legal costs	34,855	138,919



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 2020.

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:

Andrew Ngeow

Dated:

18/8/2020