

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

**FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2017**

# **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 23 August 2017 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 2017:

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

- (a) The financial statements and notes comply with the Australian Accounting Standards;
- (b) The financial statements and notes comply with the reporting guidelines of the General Manager of FWC;
- (c) The financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) There are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (e) During the financial year to which the GPFR relates and since the end of that year:
  - i. Meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
  - ii. The financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
  - iii. The financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
  - iv. Where the organisation consists of 2 or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
  - v. Where information has been sought in any request by a member of the reporting unit or a General Manager of FWC duly made under section 272 of the RO Act has been provided to the member or General Manager of FWC; and
  - vi. There has been compliance with any order for inspection of financial records made by the Commission under section 273 of the RO Act;
- (f) No revenue has been derived from undertaking recovery of wages activity during the reporting period.

For Committee of Management: Stephen John Wragg

Title of Office Held: President

  
Signature

Dated: 23 August 2017

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

## **OPERATING REPORT**

I, Stephen John Wragg, being the designated officer responsible for preparing this report for the financial year ended 30 June 2017 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 \$471,959 (2016: \$378,095)

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 2017 to which this report relates the number of financial members of the organisation was 469 including Honorary Life Members;
- b) As at 30 June 2017 the total number of employees employed by the reporting entity was 18.
- c) The persons who have been members of the committee of management of The Pharmacy Guild of Australia Western Australian Branch during the reporting period are:

#### **Branch Executive**

Stephen Wragg

Natalie Willis

Andrew Ngeow

Anthony Masi

Lenette Mullen

President

Senior Vice President & Alternative National Councillor

Vice President Finance & Alternative National Councillor

Vice President

National Councillor

# THE PHARMACY GUILD OF AUSTRALIA WESTERN AUSTRALIAN BRANCH

## OPERATING REPORT CONTINUED

### Branch Committee

Greg Da Rui	Great Southern Country
Paul Rees	North Coast Metro
Paul Jardine	South Eastern Metro
Andrew Ngeow	Eastern Country
Anthony Masi	Northern Country District
Lenette Mullen	Fremantle Melville
Ernie Pirone	Northern Metro
David Manuel	Perth City
Tom Golovoda	South Coastal
Adrian Staltari	Eastern Metropolitan
Natalie Willis	South Perth Metro
Stephen Wragg	North Eastern Metro
Donna Pearson	West Coast Metro
Linda Keane	South West Country

No officer or member of the reporting unit holds a position as a trustee or director of a superannuation entity or exempt public sector superannuation scheme where the criterion for holding such position is that they are an officer or member of an organisation.

### 6. Insurance of Officers:

During the financial year, The Pharmacy Guild of Australia Western Australian Branch paid insurance to cover all officers of The Pharmacy Guild of Australia Western Australian Branch. The officers of The Pharmacy Guild of Australia Western Australian Branch covered by the insurance policy include all the committees of management. Other officers covered by the contract are the management of The Pharmacy Guild of Australia Western Australian Branch. The liabilities insured include costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of The Pharmacy Guild of Australia Western Australian Branch



STEPHEN JOHN WRAGG

Date: 23 August 2017

# THE PHARMACY GUILD OF AUSTRALIA

## WESTERN AUSTRALIAN BRANCH

### STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2017

	NOTE	2017 \$	2016 \$
Revenue	2	3,530,642	3,205,700
Employee benefits expense		(1,496,498)	(1,472,946)
National council dues		(787,086)	(439,143)
Other member services		(143,129)	(187,629)
Pharmacy forum costs		(212,201)	(224,962)
Depreciation and amortisation expense		(48,528)	(52,855)
Capitation Fees		-	(2,585)
Affiliation Fees		-	-
Fees/allowances – meetings and conferences		(5,039)	(10,817)
Grants and donations		(32,353)	(29,900)
Finance costs		-	-
Legal costs - litigation		-	-
Legal costs - other		(14,118)	(16,688)
Audit fees		(21,000)	(20,500)
Net loss from sale of assets		-	-
Compulsory levies paid		-	-
Consideration to employers for payroll deductions		-	-
Penalties imposed under to RO Act		-	-
Write down and impairment of assets		-	-
Other expenses		(298,731)	(369,580)
		<hr/>	<hr/>
Surplus (deficit) for the year		471,959	378,095
		<hr/>	<hr/>
Other comprehensive Income		-	-
		<hr/>	<hr/>
Total comprehensive income for the year		471,959	378,095
		<hr/> <hr/>	<hr/> <hr/>

The accompanying notes form part of these financial statements.

# THE PHARMACY GUILD OF AUSTRALIA WESTERN AUSTRALIAN BRANCH

## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017

	NOTE	2017 \$	2016 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	6,490,430	6,296,460
Trade and other receivables	5	188,463	86,770
Inventories	6	-	-
Other current assets	7	180,094	91,026
		<hr/>	<hr/>
<b>Total Current Assets</b>		6,858,987	6,474,256
		<hr/>	<hr/>
<b>NON CURRENT ASSETS</b>			
Trade and other receivables	5	-	-
Property, plant and equipment	8	2,815,245	3,464,349
		<hr/>	<hr/>
<b>Total Non Current Assets</b>		2,815,245	3,464,349
		<hr/>	<hr/>
<b>TOTAL ASSETS</b>		9,674,232	9,938,605
		<hr/>	<hr/>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	1,480,199	1,547,738
Employee provisions	10	250,513	242,291
		<hr/>	<hr/>
<b>Total Current Liabilities</b>		1,730,712	1,790,029
		<hr/>	<hr/>
<b>NON CURRENT LIABILITIES</b>			
Employee provisions	10	22,751	24,766
Trade and other payables	9	-	-
		<hr/>	<hr/>
<b>Total Non Current Liabilities</b>		22,751	24,766
		<hr/>	<hr/>
<b>TOTAL LIABILITIES</b>		1,753,463	1,814,794
		<hr/>	<hr/>
<b>NET ASSETS</b>		7,920,769	8,123,810
		<hr/>	<hr/>
<b>EQUITY</b>			
Reserves		2,447,500	3,122,500
Retained earnings		5,473,270	5,001,310
		<hr/>	<hr/>
<b>TOTAL EQUITY</b>		7,920,769	8,123,810
		<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 2017

	Retained Earnings General \$	Retained Earnings Special Projects \$	Capital Equipment Replacement Reserve \$	Capital Building Reserve \$	Asset Revaluation Reserve \$	Total \$
<b>Balance at 30 June 2015</b>	1,134,847	3,488,368	154,348	516,297	2,451,855	7,745,715
Profit for the year	378,095	-	-	-	-	378,095
Transfer from general funds	-	-	-	-	-	-
Transfer to general funds	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-
<b>Balance at 30 June 2016</b>	1,512,942	3,488,368	154,348	516,297	2,451,855	8,123,810
Profit for the year	471,959	-	-	-	-	471,959
Transfer from general funds	-	-	-	-	-	-
Transfer to general funds	-	-	-	-	-	-
Revaluation	-	-	-	-	(675,000)	(675,000)
<b>Balance at 30 June 2017</b>	1,984,901	3,488,368	154,348	516,297	1,776,855	7,920,769

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 2017

	NOTE	2017 \$	2016 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from members		2,636,962	2,691,356
Receipts from Related Parties National Secretariat		635,153	430,973
Payments to suppliers and employees		(2,238,926)	(2,051,601)
Payments to related parties National Secretariat		(921,630)	(507,988)
Interest received		156,834	208,134
		<hr/>	<hr/>
Net cash provided by operating activities	16	268,393	770,874
		<hr/>	<hr/>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of property, plant & equipment		20,611	
Purchase of property, plant & equipment		(95,035)	(2,823)
		<hr/>	<hr/>
Net cash provided by (used in) investing activities		(74,424)	(2,823)
		<hr/>	<hr/>
Net increase/(decrease) in cash held		193,939	768,051
Cash at beginning of the year		6,296,460	5,528,409
		<hr/>	<hr/>
Cash at end of year	4	6,490,430	6,296,460
		<hr/> <hr/>	<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 2017**

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 2017**

#### **c. Property, Plant & Equipment (Cont)**

The depreciable amount of plant and equipment is depreciated on a straight line basis over their useful lives to the Organisation commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Office equipment	15%
Office furniture	10%
Motor vehicles	15%
Computer equipment	33.33%
Structural improvements	2.5%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance date.

The asset's carrying value is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

#### **d. Leases**

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset but not the legal ownership are transferred to entities in the economic entity are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

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

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017**

### **e. Financial Instruments**

#### **Initial Recognition and Measurement**

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the organisation becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transaction costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

#### **Classification and Subsequent Measurement**

Financial assets at fair value through profit and loss

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in the fair value are included in profit or loss in the period in which they arise.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as such or that are not classified in any other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

#### **Impairment**

At each reporting date, the Organisation assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

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

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017**

### **e. Financial Instruments (Cont)**

#### **Derecognition**

Financial assets are derecognised where the contractual right to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

### **f. Impairment of Assets**

At each reporting date, the Organisation reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the income statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the Organisation estimates the recoverable amount of the cash-generating unit to which the asset belongs.

### **g. Employee Benefits**

Provision is made for the Organisation's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

### **h. Training Administration Fee**

The training administration fee liability represents the amount refundable to employer members for the training administration fee originally charged to employer members.

### **i. Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

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

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017**

### **j. Revenue and Other Income**

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue from the provision of membership subscriptions is recognised on a straight line basis over the financial year.

All revenue is stated net of the amount of goods and services tax (GST).

### **k. Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Where applicable, receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

### **l. Significant Accounting Estimates and Judgements**

The Committee of Management evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data obtained both externally and from within the Organisation;

#### ***Key Estimates***

##### ***(i) Impairment - general***

The Organisation assesses impairment at each reporting date by evaluation of conditions and events specific to the group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

##### ***(ii) Land and Buildings***

Land and Buildings are carried at fair value, based on valuations obtained from an independent licenced valuer every three years. Valuations are based on fair value which is a market based measure

# THE PHARMACY GUILD OF AUSTRALIA

## WESTERN AUSTRALIAN BRANCH

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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

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

- AASB 9: *Financial Instruments* and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 January 2018).

The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments, and simplified requirements for hedge accounting.

The key changes that may affect the organisation on initial application of include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Should the entity elect to change its hedge policies in line with the new hedge accounting requirements of the Standard, the application of such accounting would be largely prospective.

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

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

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

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

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

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## **WESTERN AUSTRALIAN BRANCH**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED 30 JUNE 2017**

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

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

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

AASB 16: *Leases* (applicable to annual reporting periods beginning on or after 1 January 2019).

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

The main changes introduced by the new Standard are as follows:

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

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108 or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

The Committee anticipate that the adoption of AASB 16 will not significantly impact the organisation's financial statements prepared in future periods



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

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017**

### **n. Fair Value of Assets and Liabilities**

The Organisation measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Organisation would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

# THE PHARMACY GUILD OF AUSTRALIA WESTERN AUSTRALIAN BRANCH

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	2017 \$	2016 \$
<b>2. REVENUE</b>		
Operating Activities		
Membership Subscriptions	1,353,518	993,552
Other membership services	159,942	126,976
Program income	484,043	386,998
Commission income	242,165	237,200
Pharmacy industry training income	367,710	476,475
Pharmacy forum	385,984	375,869
WA Industrial & Management Service Fee	209,748	208,644
Rental income	100,773	78,804
Interest received	156,834	208,134
Other income	66,900	113,048
Net gain from sale of assets	3,025	-
Capitation fees received	-	-
Compulsory levies raised	-	-
	<hr/>	<hr/>
	3,530,642	3,205,700
	<hr/>	<hr/>
Non-operating Activities	-	-
	<hr/>	<hr/>
Total revenue	3,530,642	3,205,700
	<hr/> <hr/>	<hr/> <hr/>

# THE PHARMACY GUILD OF AUSTRALIA WESTERN AUSTRALIAN BRANCH

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	2017 \$	2016 \$
<b>3. AUDITORS REMUNERATION</b>		
Remuneration of the auditor for:		
Auditing or reviewing the financial report	16,500	16,000
Other services	4,500	4,500
	<hr/> 21,000	<hr/> 20,500
	=====	=====
 <b>4. CASH AND CASH EQUIVALENTS</b>		
Cash at bank and in hand	6,490,430	6,296,460
Short term bank deposits	-	-
	<hr/> 6,490,430	<hr/> 6,296,460
	=====	=====
 <b>Reconciliation of cash</b>		
Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:-		
Cash and cash equivalents - general	6,280,748	6,168,182
Cash and cash equivalents – special projects fund	209,682	128,278
Bank overdrafts	-	-
	<hr/> 6,490,430	<hr/> 6,296,460
	=====	=====

# THE PHARMACY GUILD OF AUSTRALIA WESTERN AUSTRALIAN BRANCH

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	2017 \$	2016 \$
<b>5. TRADE AND OTHER RECEIVABLES</b>		
<b>CURRENT</b>		
Subscriptions and other receivables	188,463	86,770
Provision for doubtful debts	-	-
	<hr/>	<hr/>
Total current trade and other receivables	188,463	86,770
	<hr/>	<hr/>
<b>NON CURRENT</b>		
Loan to Guild Shield Chemists	-	-
	<hr/>	<hr/>

Current trade receivables are non-interest bearing and generally are receivable with 90 days. A provision for impairment is recognised when there is objective evidence that an individual trade receivable is impaired. No impairment was provided for at 30 June 2017 (2016: 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
	\$	\$	\$	\$	\$	\$
2017 Subscriptions and other Receivables	188,463	-	91,175	84,473	7,472	5,343
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total	188,463	-	91,175	84,473	7,471	5,343
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

# THE PHARMACY GUILD OF AUSTRALIA WESTERN AUSTRALIAN BRANCH

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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

#### Credit Risk (Cont)

2016	\$	\$	\$	\$	\$	\$
Subscriptions and other Receivables	86,770	-	61,169	6,147	12,157	7,297
	_____	_____	_____	_____	_____	_____
Total	86,770	-	61,169	6,147	12,157	7,297
	=====	=====	=====	=====	=====	=====

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.

		2017 \$	2016 \$
<b>Financial assets classified as loans and receivables</b>			
Trade and other receivables	Note		
- total current	17	188,463	86,770
- total non-current	17	-	-
		_____	_____
Total		188,463	86,770
		=====	=====

#### *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	-	-
	=====	=====

# THE PHARMACY GUILD OF AUSTRALIA WESTERN AUSTRALIAN BRANCH

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	2017 \$	2016 \$
<b>7. OTHER CURRENT ASSETS</b>		
Prepayments	109,406	67,495
Accrued income	70,688	23,531
Accrued GST	-	-
	<hr/>	<hr/>
	180,094	91,026
	<hr/>	<hr/>
<b>8. PROPERTY, PLANT &amp; EQUIPMENT</b>		
<b>Land &amp; buildings</b>		
Opening independent valuation	3,125,000	3,125,000
Revaluation	(675,000)	-
Additions	-	-
	<hr/>	<hr/>
Closing independent valuation	2,450,000	3,125,000
	<hr/>	<hr/>
<b>Office furniture &amp; equipment</b>		
At cost	1,156,847	1,109,360
Accumulated depreciation	(844,936)	(805,993)
	<hr/>	<hr/>
	311,911	303,367
	<hr/>	<hr/>
<b>Motor vehicles</b>		
At cost	66,742	63,565
Accumulated amortisation	(13,408)	(27,583)
	<hr/>	<hr/>
	53,334	35,982
	<hr/>	<hr/>
Total plant & equipment	365,245	339,349
	<hr/>	<hr/>
Total property, plant & equipment	2,815,245	3,464,349
	<hr/>	<hr/>

# THE PHARMACY GUILD OF AUSTRALIA WESTERN AUSTRALIAN BRANCH

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

### 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	3,125,000	303,367	35,982	3,464,349
Additions	-	47,487	47,548	95,035
Disposals	-	-	(20,611)	(20,611)
Depreciation & amortisation expense	-	(38,943)	(9,585)	(48,528)
Revaluation	(675,000)	-	-	(675,000)
	<hr/>	<hr/>	<hr/>	<hr/>
Carrying amount at the end of year	2,450,000	311,911	53,334	2,815,245
	<hr/>	<hr/>	<hr/>	<hr/>

**2017**  
\$                      **2016**  
\$

### 9. TRADE & OTHER PAYABLES CURRENT

Trade payables	32,567	15,204
Training administration fees	3,360	3,360
Income received in advance	1,072,983	1,105,582
Accrued expenses	107,801	81,034
Traineeship fees received in advance	134,886	239,057
Accrued GST & PAYG withholding	128,602	103,502
	<hr/>	<hr/>
	1,480,199	1,547,738
	<hr/>	<hr/>

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

#### NON CURRENT

-                      -  

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# THE PHARMACY GUILD OF AUSTRALIA WESTERN AUSTRALIAN BRANCH

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

### 10. PROVISIONS

	Annual leave \$	Long service leave \$	Other Provisions \$	Total \$
Opening balance at 1 July 2016	86,089	131,178	49,790	267,057
Additional provisions	1,615	22,113	(15,098)	8,630
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 30 June 2017	87,704	153,291	34,692	273,264
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>Analysis of total employee provision</b>			<b>2017</b>	<b>2016</b>
			\$	\$
<b>Office Holders:</b>				
Annual Leave			2,909	1,797
Long Service Leave			831	-
Separation and Redundancies			-	-
Other			-	-
			<hr/>	<hr/>
Subtotal – Office Holders			3,740	1,797
			<hr/>	<hr/>
<b>Employees other than Office Holders:</b>				
Annual Leave			84,795	84,292
Long Service Leave			152,461	131,178
Separation and Redundancies			-	-
Other			32,269	49,790
			<hr/>	<hr/>
Subtotal – Other employees			269,525	265,260
			<hr/>	<hr/>
Total Employee Provisions			273,264	267,057
			<hr/> <hr/>	<hr/> <hr/>
Current			250,513	242,291
Non-current			22,751	24,766
			<hr/>	<hr/>
Total Employee Provisions			273,264	267,057
			<hr/> <hr/>	<hr/> <hr/>

### Provision for long term employee benefits

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



# THE PHARMACY GUILD OF AUSTRALIA WESTERN AUSTRALIAN BRANCH

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

### 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

- not later than 12 months
- between 12 months & 5 years
- greater than 5 years

<b>2017</b>	<b>2016</b>
<b>\$</b>	<b>\$</b>

-	-
-	-
-	-

-	-
-	-

<b>2017</b>	<b>2016</b>
<b>\$</b>	<b>\$</b>

### 13. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

-	-
-	-

### 14. EVENTS AFTER THE BALANCE SHEET DATE

No significant events have occurred subsequent to the reporting date.

# THE PHARMACY GUILD OF AUSTRALIA WESTERN AUSTRALIAN BRANCH

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

### 15. RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions.

During the year the organisation received funding from as well as paid a percentage of membership subscriptions to The Pharmacy Guild of Australia, National Secretariat. Details of these transactions are noted below.

#### **Funds Paid to National Secretariat 2017**

	<b>2017</b>	<b>2016</b>
	\$	\$
<b>Total Paid to National Secretariat 2017</b>		
2016/17 Subscriptions to National Secretariat.	867,848	486,711
Re-imbursement Telephone	12,364	13,401
Software & Software Development Re-imbursement	24,932	22,412
Training Qualification Development Cost	11,397	-
Student Capitulations & CPD Accreditation Costs	-	5,294
Travel expense re-imbursement	2,339	6,732
Sundry Expenditure	2,750	-
	<b>921,630</b>	<b>534,550</b>

#### **Funds Received from National Secretariat 2017**

##### **Total from National Secretariat 2017**

Programme Funding & Grants	622,072	425,996
Re-imbursement of President time to attend meeting etc	-	-
Re-imbursements of travel associated costs to attend meetings	9,504	2,235
Re-imbursement of software	-	-
Sundry Re-imbursement	3,577	236
Sponsorship	-	2,500
	<b>635,153</b>	<b>430,967</b>

#### **Balances Receivable/Payable at Year End**

Receivable from National Secretariat	<b>599</b>	<b>2,652</b>
Payable to National Secretariat	<b>-183</b>	<b>1,154</b>

# THE PHARMACY GUILD OF AUSTRALIA WESTERN AUSTRALIAN BRANCH

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

### 16. CASHFLOW INFORMATION

	2017 \$	2016 \$
<b>Reconciliation of cash flow from operations with profit from ordinary activities after income tax:</b>		
Profit after income tax	471,959	378,095
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit		
- Depreciation and amortisation	48,528	52,855
- Net gain on Disposal of Property Plant and Equipment	-	-
Changes in assets and liabilities		
- (Increase)/decrease in trade and term debtors	(101,693)	124,763
- (Increase)/decrease in prepayments	(41,911)	2,259
- (Increase)/decrease in accrued income	(47,157)	(15,531)
- (Increase)/decrease in inventories	-	-
- Increase/(decrease) in trade and other payables	(72,812)	202,796
- Increase/(decrease) in employee benefits	8,630	19,666
- Increase/(decrease) in accrued GST	2,849	5,971
	<hr/>	<hr/>
<b>Cash flow from operations</b>	268,393	770,874
	<hr/> <hr/>	<hr/> <hr/>

### 17. FINANCIAL RISK MANAGEMENT

#### **Financial risk management policies**

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

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

# THE PHARMACY GUILD OF AUSTRALIA WESTERN AUSTRALIAN BRANCH

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

### 17. FINANCIAL RISK MANAGEMENT (CONT)

	Note	2017 \$	2016 \$
<b>Financial Assets</b>			
Cash and cash equivalents	4	6,490,430	6,296,460
Trade and other receivables	5	188,463	86,770
Other current assets	7	180,094	25,531
		6,858,987	6,408,761
		6,858,987	6,408,761
<b>Financial Liabilities</b>			
Trade & sundry payables	9	32,567	15,204
		32,567	15,204
		32,567	15,204

### Financial Risk Management Policies

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

### Specific Financial Risk Exposure and Management

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

a. Interest rate risk

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

# THE PHARMACY GUILD OF AUSTRALIA WESTERN AUSTRALIAN BRANCH

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

### 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	
	2017 \$	2016 \$	2017 \$	2016 \$	2017 \$	2016 \$	2017 \$	2016 \$
<b>Financial liabilities</b>								
Trade & sundry payables	32,567	15,204	-	-	-	-	32,567	15,204
Lease liabilities	-	-	-	-	-	-	-	-
<b>Total financial liabilities</b>	32,567	15,204	-	-	-	-	32,567	15,204
	=====	=====	=====	=====	=====	=====	=====	=====
<b>Financial assets</b>								
Cash & cash equivalents	6,490,430	6,296,460	-	-	-	-	6,490,430	6,296,460
Short-term deposits	-	-	-	-	-	-	-	-
Trade & other receivables	188,463	86,770	-	-	-	-	188,463	86,770
Other current assets	180,094	25,531	-	-	-	-	180,094	25,531
<b>Total financial assets</b>	6,858,987	6,408,761	-	-	-	-	6,858,987	6,408,761
	=====	=====	=====	=====	=====	=====	=====	=====

#### *Financial assets pledged as collateral*

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

c. Foreign exchange risk

The Organisation is not exposed to fluctuations in foreign currencies

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

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017**

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

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

d. Credit risk

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

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

#### *Credit risk exposure*

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

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

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

e. Price risk

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

#### **Net Fair Values**

##### **Fair value estimation**

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

# THE PHARMACY GUILD OF AUSTRALIA WESTERN AUSTRALIAN BRANCH

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

### 17. FINANCIAL RISK MANAGEMENT (Cont)

#### Net Fair Values (Cont)

		2017		2016	
	Footnote	Net Carrying Value \$	Net Fair Value \$	Net Carrying Value \$	Net Fair Value \$
<b>Financial assets</b>					
Cash & cash equivalents	(i)	6,490,430	6,490,430	6,296,460	6,296,460
Trade & other receivables	(i)	188,463	188,463	86,770	86,770
Other current assets	(i)	180,094	180,094	25,531	25,531
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Total financial assets</b>		6,858,987	6,858,987	6,408,761	6,408,761
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Financial liabilities</b>					
Trade & sundry payables	(i)	32,567	32,567	15,204	15,204
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Total financial liabilities</b>		32,567	32,567	15,204	15,204
		<hr/>	<hr/>	<hr/>	<hr/>

The fair values disclosed in the above table have been determined based on the following methodologies:

- (i) Cash and cash equivalents, trade and other receivables, other current assets and trade and other payables are short term instruments in nature whose carrying value is equivalent to fair value.

### 18. FAIR VALUE MEASUREMENTS

#### *Fair Value Estimation*

The Organisation measures and recognises only Land & Buildings at fair value on a recurring basis after initial recognition. The fair value of other financial assets and financial liabilities approximate their carrying values

#### *Fair Value Hierarchy*

AASB 13 required the disclosure of fair value information by way of a fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1: Measurement based on quoted prices (unadjusted) in active markets for identical assets of liabilities that the entity can access at the measurement date

# THE PHARMACY GUILD OF AUSTRALIA

## WESTERN AUSTRALIAN BRANCH

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

#### 18 FAIR VALUE MEASUREMENTS (CONT)

Level 2: Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Measurements based on unobservable inputs for the asset or liability.

The value of the Organisations Land & Buildings is based on level 2 hierarchy using valuations performed by independent licenced valuers. The Valuer adopted a market approach using recent observable market data for similar properties: income approach using discounted cashflow methodology. Significant inputs used were price per square metre and market capitalisation rates.

#### 19. ORGANISATION DETAILS

The registered office and principle place of business of the Organisation is:

The Pharmacy Guild of Australia WA Branch  
1322 Hay Street  
West Perth WA 6005

#### 20. SEGMENT REPORTING

The Organisation operates predominately in one business and geographical segment, being the pharmaceutical sector, providing industrial representative services to members of the Organisation in Western Australia.

#### 21. EMPLOYEE BENEFITS

Breakdown of benefits to officers and employees as follows:

	<u>2017</u>	<u>2016</u>
	\$	\$
<b>Officers</b>		
Relievers Fees	62,400	50,000
Wages (inc annual leave taken)	50,080	70,310
Superannuation	4,757	4,757
Annual leave accrued	2,909	1,797
LSL	831	-
Separation/Redundancies	-	-
<b>Employees (Other than officers)</b>		
Wages (inc annual leave taken)	1,225,825	1,218,697
Superannuation	114,795	114,097
Annual leave accrued	(1,293)	(12,817)
LSL	21,281	24,867
Separation/Redundancies	-	8,548
Motor Vehicle FBT	14,913	12,921



# THE PHARMACY GUILD OF AUSTRALIA WESTERN AUSTRALIAN BRANCH

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

### 22. KEY MANAGEMENT PERSONNEL REMUNERATION

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

	2017 \$	2016 \$
<b>Short term employee benefits</b>		
Salary (inc annual leave taken)	283,169	280,023
Annual Leave accrued	12,281	(2,655)
Performance bonus	-	-
Relievers fees	62,400	50,000
Total short term employee benefits	357,850	327,368
<b>Post employment benefits</b>		
Superannuation	25,258	37,386
Total post-employment benefits	25,258	37,386
Other long term benefits	4,898	5,559
Termination benefits	-	-
Total	388,006	370,313

### 23. DONATIONS OVER \$1000

Name of Recipient	Address of recipient of Donation	Amount	Purpose of Donation
<b>WA Labor</b>	P O Box 8117, Perth BC WA 6849	\$6,000.00	2 attendees to 2016 Business Engagement Programme
<b>The Nationals</b>	P O Box 1418, West Perth WA 6872	\$5,454.55	The Nationals WA State Conference & Convention Geraldton 28-29th Oct 16 Corporate Engagement Package
<b>WA Labor</b>	P O Box 8117, Perth BC WA 6849	\$5,000.00	Contribution to Mark McGowan WA Labor Election Campaign
<b>Liberal Party of Australia WA Div Inc</b>	P O Box 49 West Perth	\$2,250.00	Liberal Party Gala Dinner Hon C Barnett 10/2/17
<b>WA Labor</b>	P O Box 8117, Perth BC WA 6849	\$1,000.00	Fundraing Dinner Fran Logan & Roger Cook Cockburn Campaign Quiz Night

# THE PHARMACY GUILD OF AUSTRALIA WESTERN AUSTRALIAN BRANCH

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

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

Name of Recipient	Address of recipient of Donation	Amount	Purpose of Donation
<b>Liberal Party WA</b>	C/ The 500 Club, Box z5303 St George's Terrace, 6831	\$1,500.00	Hon K Wyatt MP board room luncheon 5/4/17 MT Dave M THE 500 CLUB
<b>WA Labor</b>	PO Box 8117, Perth BC WA 6849	\$6,000.00	2017 Election Business Engagement Programme
Pharmacy Guild of Australia National Secretariat for Liberal Party Of Australia WA Division Stirling Federal Campaign	PGA PO Box 310 Fyscick ACT 2609 For Liberal Party of Aust WA Stirling Federal Campaign PO box 657 Innaloo, WA 6918	\$2,500.00	Attendance at Post budget dinner with Senator the Hon Mathias Cormann, Hon Christian Porter MP and Hon Michael Keenan MP Liberal Party post budget

### 24. GRANTS & DONATIONS

Grants:	<b>2017</b>	<b>2016</b>
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	10,000
Donations:		
Total paid that were \$1,000 or less	2,818	1,900
Total paid that exceeded \$1,000	29,705	18,000
<b>Total grants or donations</b>	<b>32,523</b>	<b>29,900</b>

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

Information to be provided to members or General Manager of FWC.

- (1) A member of a reporting unit, or the General Manager, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- (2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- (3) A reporting unit must comply with an application made under subsection (1).

Note: This subsection is a civil penalty provision (see section 305).

# **THE PHARMACY GUILD OF AUSTRALIA**

## **WESTERN AUSTRALIAN BRANCH**

### **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 2017.

In addition there are no liabilities in respect of the current or prior periods to employers as consideration for the employers making payroll deductions of membership subscriptions.

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

## **STATEMENT BY THE MEMBERS OF THE COMMITTEE**

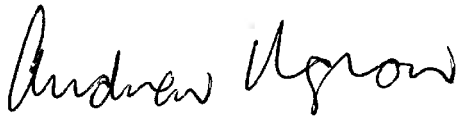
In the opinion of the committee the financial report as set out on pages 4 to 31;

1. Presents a true and fair view of the financial position of The Pharmacy Guild of Australia Western Australian Branch as at 30 June 2017 and its performance for the year ended on that date in accordance with Australian Accounting Standards, mandatory professional reporting requirements and other authoritative pronouncements of the Australian Accounting Standards Board.
2. At the date of this statement, there are reasonable grounds to believe that The Pharmacy Guild of Australia Western Australian Branch will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Committee and is signed for and on behalf of the Committee by:



**STEPHEN JOHN WRAGG**  
President



**ANDREW NGEOW**  
Vice President Finance

Dated this 23 day of August 2017

# THE PHARMACY GUILD OF AUSTRALIA WESTERN AUSTRALIAN BRANCH

MOORE STEPHENS

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

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### 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 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2017, notes to the financial statements, including a summary of significant accounting policies; and the Committee of Management Statement.

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 2017, and its financial performance and its cash flows for the year ended on that date in accordance with:

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

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

#### Basis for Opinion

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

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

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

The Committee of Management is responsible for the other information. The other information obtained at the date of this auditor's report is in the Operating Report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

# **THE PHARMACY GUILD OF AUSTRALIA**

## **WESTERN AUSTRALIAN BRANCH**

### **AUDIT REPORT (CONTINUED)**

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

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

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

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

Our objective is to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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, we exercise professional judgement and maintain professional scepticism throughout the audit. We 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.
- 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 we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Reporting Unit to cease to continue as a going concern.

# THE PHARMACY GUILD OF AUSTRALIA WESTERN AUSTRALIAN BRANCH

## AUDIT REPORT {CONTINUED}

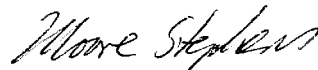
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Reporting Unit to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Reporting Unit audit. We remain solely responsible for our 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 approved auditor, a registered company auditor, a fellow of the Institute of Chartered Accountants and hold a current Public Practice Certificate.



Neil Pace  
Partner



Moore Stephens  
Chartered Accountants

Perth  
23 August 2017

Registration number (as registered by the RO Commissioner under the RO Act): AA2017/14

# THE PHARMACY GUILD OF AUSTRALIA

## WESTERN AUSTRALIAN BRANCH

### DETAILED INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 30 JUNE 2017 GENERAL FUND

	2017 \$	2016 \$
<b>REVENUE</b>		
Commission	242,165	237,200
Members Services	159,942	121,372
Membership Subscriptions	1,353,518	993,552
Pharmacy Industry Training	367,710	476,475
Program Income	484,043	386,998
Sundry Income	69,924	118,652
	<hr/>	<hr/>
<b>TOTAL REVENUE</b>	2,677,303	2,334,249
	<hr/>	<hr/>
<b>EXPENDITURE</b>		
Auditing Fees	21,000	20,500
Bank Fees	11,808	9,029
Branch Committee Expenses	71,649	65,065
Depreciation - Office Equipment	15,676	22,442
- Motor Vehicles	9,585	9,535
Dispatch & Postage	12,387	14,905
EDP Maintenance & Support	34,021	35,205
Insurance	16,872	30,581
Members Services	143,129	187,629
National Council Dues	787,086	439,143
Payroll Tax	85,143	81,465
Donations	32,523	19,900
Power and Light	8,755	7,947
Printing and Stationery	25,872	24,503
Professional Fees	45,986	32,051
Salaries – Employees	1,190,131	1,277,324
Sundry Expenses & Staff Training	62,243	65,794
Superannuation	119,552	118,854
Telephone and Facsimile	18,928	18,237
Training Division Expenses	17,638	11,265
	<hr/>	<hr/>
<b>TOTAL EXPENDITURE</b>	2,729,984	2,491,373
	<hr/>	<hr/>
Profit from General Fund for the year	(52,681)	(157,124)



# THE PHARMACY GUILD OF AUSTRALIA WESTERN AUSTRALIAN BRANCH

## DETAILED INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 30 JUNE 2017 SPECIAL PROJECT FUND

	2017 \$	2016 \$
<b>REVENUE</b>		
Rent and Variable Outgoings Received	100,773	78,804
WA Industrial & Management Service Fee	209,748	208,644
Interest received	156,834	208,134
Pharmacy forum	385,984	375,869
	<hr/>	<hr/>
<b>TOTAL REVENUE</b>	853,339	871,451
	<hr/>	<hr/>
<b>EXPENDITURE</b>		
Cleaning Services & Supplies	39,846	27,086
Depreciation	23,267	30,413
Industrial Costs	7,414	12,813
Legal Cover Expenses	6,704	3,874
Rates & Taxes	36,745	36,572
Sundry Expenses	2,522	511
Pharmacy forum	212,201	224,962
	<hr/>	<hr/>
<b>TOTAL EXPENDITURE</b>	328,699	336,232
	<hr/>	<hr/>
Profit from Special Projects Fund for the year	524,640	535,219
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