

Dedicated to  
member pharmacies



# Annual Report 2017

PHARMACY GUILD OF NEW ZEALAND (INC)  
FINANCIAL STATEMENTS FOR THE YEAR  
ENDED 31 DECEMBER 2017

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# PRESIDENT'S *report*



**Graeme Blanchard** – President

## ***Community pharmacy provides the most cost-effective and efficient public health service available. We have so much to be proud of.***

We are open long hours, and patients can come in and speak with a trained health professional without the need for an appointment. That is very unique in health care.

Thanks to the expertise and commitment of our people, plus the support of our members, the extension of the CPSA in 2017 was a resounding success for the sector, securing around 5% more funding to help keep our community pharmacy businesses viable while providing care to our patients.

Sustainability of the sector is key to our ability to add value to patient care under the current health system. Through 2017 the Guild played the leading role in impressing this upon our funders and the rest of the health sector.

### **Sector leadership and engagement**

We faced many of the same challenges pharmacy was faced with last year. Postcode health, where New Zealanders have varying degrees of access to pharmacy services depending on where they live, remained a significant issue needing to be addressed. Securing equal access to valuable pharmacy services across the country seems so logical and fair, but it appears we still have a lot of work to do to convince our funders that this is the best way to deliver health services to achieve optimal health outcomes for all New Zealanders.

I am proud to say that the pharmacy sector is more unified than it has been for many years. To continue to value the contribution each of the representative agencies brings to the table is critical going forward. With this in mind, we continue to work with our colleagues in the Community Pharmacy Leaders Forum (CPLF), the Pharmaceutical Society, and Green Cross Health, amongst others.

The Guild was invited to become a member of the Primary Health Alliance in 2017, an opportunity that we warmly welcomed. Being at the table so that we can work together with other primary care leaders in shaping the future is another step towards cementing our role in a more integrated approach to patient care.

In November we gained a new Minister of Health following a change of Government through the General Election. Hon. Dr David Clark is on record as valuing the work community pharmacy does and seeing no reason for us to be deregulated. These are important positions to understand when we are working with him in the future.

On a number of occasions throughout the year we offered useful and realistic strategies to the DHBs to help achieve the Pharmacy Action Plan. This included offering to help develop and trial new services.

In 2017 the direction the DHBs indicated they would like to head in with our contract has no evidence as to its likelihood of working, no surety of funding, and we were given no plan beyond the first year. This leaves us with a great deal of concern and will no doubt occupy a great deal of our time in the years to come.

This is a time, more than ever, for pharmacy to unite. To work together to secure our role in what is to become the future of patient care.

## Acknowledgement of new and past Board members

In May we welcomed new board members Des Bailey, owner of Selwyn Village Pharmacy in Christchurch, who represents the Guild's Southern Electorate, and Shane Heswall, owner of Maunu Pharmacy and Kensington Pharmacy in Whangarei, who represents the Guild's Northern Electorate.

Karen Crisp and Ken Orr stood down from the Board, after making a very significant contribution over many years. Ken's roles included Vice President and President. Throughout this time, he provided dedicated and uncompromised leadership to the Guild. His ability to look at the bigger picture and plan for the future has been invaluable.

Karen's roles included Vice President, President, and Executive Chair. Her optimism, energy, and passion for community pharmacy and our patients was immensely valuable to the Guild, community pharmacy and to the wider health sector. She played a key role in my early years on the Board and it was much appreciated.

## Guild operations

I would like to thank Andrew Gaudin, our CE, for his skill, energy and commitment over the past year. He has given his time tirelessly and been immensely valuable to pharmacy. I would also like to thank his team at Guild HQ. He has assembled a very capable group of people that we can all be proud of for the talents they bring and the effort they put in for our members.

You will be pleased to know that our board members also made significant and valuable contribution to the Guild's work throughout the year. In particular, Cameron Monteith and Jason Wright, as members of the Contract Group, supported Andrew by providing a pharmacist's perspective to the many days of discussions. Giving up their family and personal time to help shape the future of community pharmacy is much appreciated and I have valued their input immensely.



**GRAEME BLANCHARD**  
**PRESIDENT**  
**PHARMACY GUILD OF NEW ZEALAND**



# CHIEF EXECUTIVE'S *report*



**Andrew Gaudin** – Chief Executive

## ***My report this year reflects on a number of key achievements throughout the year and how I see that the Guild is well positioned for the future challenges that face our members.***

I see that significant progress has been made on the three key strategic priorities that were set by the Board and validated by our members through Guild road shows undertaken in October and November 2016.

We have achieved good success with the 2017/18 contract extension, with an overall 5% funding uplift and establishing the Guild's role as the lead sector agent on the Contract Group. We have advocated effectively on proposed pharmacy ownership policy changes. And we have enhanced community pharmacy's leadership profile in the primary care sector with our inclusion in key sector groups to influence future settings.

These successes, combined with a fully committed Board and well engaged Guild HQ team means that I am looking forward to addressing the challenges ahead in 2018.

### **Year in review**

2017 was another big year for community pharmacy with a number of positive outcomes achieved for our patients and the sector.

Throughout the year we saw community pharmacy facilitated to expand and enhance the role they play in primary health care. Community pharmacy was enabled to provide funded flu vaccinations to patients over 65 years old and to pregnant women.

PHARMAC facilitated community pharmacy to provide funded ECP and NRT to patients.

Selected oral contraceptives were reclassified and these are now available from appropriately trained community pharmacists.

The Guild made submissions supporting all these initiatives as they all have significant positive impact on patients and communities. These changes have improved access to professional health care and advice, from highly trained medicine management specialists, in the heart of our communities.

The Guild and other sector representatives have had a significant impact on the Contract Group and managed to secure a contract extension that made progress towards finalising a sustainable supply chain solution, through achieving an additional \$3.5m of medicine margin funding that has gone towards meeting the true cost of the supply chain, and an additional \$4.1m for a mental health LTC service, a national smoking cessation initiative, and workforce development. The Guild continues to advocate for members in this space as we work towards developing the next CPSA.

The Guild engaged across the political spectrum on behalf of members, opposing the proposed ownership deregulation. It has been a highlight to hear the new Health Minister, Dr David Clark, speak out in favour of our views, indicating a burden of proof will need to be met before contemplating change and that he perceives our current system to be working well in regard to patient safety and access.

Community pharmacy progressed its position as a key influencer in primary health care settings. Through collaboration, new relationships have developed, and the Guild is now participating as an integral part of a stronger primary care voice. The Guild, as a member of the Community Pharmacy Leaders Forum (CPLF), was able to connect with a range of other primary care stakeholders



including General Practice New Zealand, Primary Health Alliance, General Practice Leaders Forum, and Primary Care Leaders Forum.

CPLF also had an outstanding year. We came together well to form a cohesive and collaborative group of sector leaders that are thoroughly enjoying working together to advance issues of common interest for the benefit of patients and our sector.

The Guild enjoyed delivering another successful Pharmacy Business Network to the sector and celebrating many of our members', and the wider sector's, accomplishments at the annual Pharmacy Awards.

### Guild operations

Throughout the year I was again extremely impressed and grateful for the support I received from the team at Guild HQ, and from our Board of Directors. Members can have confidence in the people that are working and advocating on their behalf every day.

The Guild is passionate about delivering positive outcomes for our members, and in turn, their patients. Our team sees real benefit and potential for community pharmacy when facilitated to invest and innovate within their businesses.

The Guild Board continues to bring a fresh perspective to our work. Their vast experience across an array of

backgrounds is incredibly valuable. With many of our board members working within their own community pharmacies, the issues facing our sector are always close to the heart and this is demonstrated in the dedication and commitment we see from our Board.

I am incredibly happy with what we have managed to achieve in 2017 and while there are challenges on our horizon, I am confident that we have the people and the skill set behind us to deliver more for our members, for our sector, and for New Zealanders.



**ANDREW GAUDIN**  
**CHIEF EXECUTIVE**  
**PHARMACY GUILD OF NEW ZEALAND**

# ***Guild***

HIGHLIGHTS  
**2017**



**\$279,790**



## **66 newsletters**

WERE DISTRIBUTED INCLUDING

*Guild InTouch, Contact magazine and T&A Topics*

OUR PROFESSIONAL SERVICES  
TEAM RESPONDED TO OVER

# **500**

***member queries in 2017***



**\$162,922**  
***in rental income***



**35 submissions**  
*were prepared on behalf  
of members in 2017*

18 OF THESE WERE TO PHARMAC



**Guild  
membership**  
*averaged at*

**65.75%**

THROUGHOUT 2017

OUR MEMBERS MADE OVER



*HR queries via our*

0800 HR ADVICE LINE



**Pharmacode**

INCOME OF

**\$306,350**



# AUDITOR'S **report** & FINANCIAL **accounts**

## **Statement of Responsibility**

✚ for the year ended 31 December 2017

The Board of Directors is responsible for the maintenance of adequate accounting records and the preparation and integrity of the annual financial statements and related information. The independent external auditors, RSM Hayes Audit, have audited the annual financial statements and their report appears on page 9.

The Board of Directors is also responsible for the systems of internal control. These are designed to provide reasonable but not absolute, assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability for assets, and to prevent and detect material misstatements. Appropriate systems of internal control have been employed to ensure that all transactions have been executed in accordance with authority and correctly processed and accounted for in the financial statements. The systems are implemented and monitored by suitably trained personnel with an appropriate segregation of authority and duties. Nothing has come to the attention of the Board to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The financial statements are prepared on a going concern basis. Nothing has come to the attention of the Board of Directors to indicate that the Guild will not remain a going concern in the foreseeable future.

In the opinion of the board members:

- > the statement of financial performance is drawn up so as to give a true and fair view of the surplus of the Guild for the financial year ended 31 December 2017;
- > the statement of cash flow is drawn up so as to give a true and fair view of the cash flows of the Guild for the financial year ended 31 December 2017;
- > the statement of financial position is drawn up so as to give a true and fair view of the state of affairs of the Guild as at 31 December 2017;
- > there are reasonable grounds to believe that the Guild will be able to pay its debts as and when they fall due.



**GRAEME BLANCHARD**  
**PRESIDENT**  
**PHARMACY GUILD OF NEW ZEALAND**

**RSM Hayes Audit**

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## Independent Auditor's Report

### To the Members of Pharmacy Guild of New Zealand (Inc)

#### Opinion

We have audited the consolidated and separate financial statements of Pharmacy Guild of New Zealand (Inc) and its subsidiary (the group), which comprise:

- the consolidated and separate statement of financial position as at 31 December 2017;
- the consolidated and separate statement of comprehensive revenue and expense for the year then ended;
- consolidated and separate statement of changes in equity;
- consolidated and separate statement of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements on pages 11 to 36 present fairly, in all material respects, the financial position of the group and Pharmacy Guild of New Zealand (Inc) as at 31 December 2017, and its financial performance and its cash flows for the year then ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated and separate financial statements* section of our report.

We are independent of the Pharmacy Guild of New Zealand group in accordance with Professional and Ethical Standard 1 (Revised) Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Other than in our capacity as auditor we have no relationship with, or interests in, the Pharmacy Guild of New Zealand (Inc) or any of its subsidiary.

#### Other information

The board members are responsible for the other information. The other information comprises the President's and Chief Executive's reports and statement of responsibility on pages 1 to 8 (but does not include the consolidated and separate financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report. Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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 board members for the consolidated and separate financial statements**

The board members are responsible, on behalf of the society, for the preparation and fair presentation of the consolidated and separate financial statements in accordance with Public Benefit Entity Standards Reduced Disclosure Regime, and for such internal control as the board members determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the board members are responsible, on behalf of the Pharmacy Guild of New Zealand (Inc) and group, for assessing the society's and group'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 those charged with governance either intend to liquidate the entity and group or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the consolidated and separate financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements 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 ISAs (NZ) 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 decisions of users taken on the basis of these consolidated and separate financial statements. A further description of the auditor's responsibilities for the audit of the consolidated and separate financial statements is located at the XRB's website at:

[https://xrb.govt.nz/Site/Auditing\\_Assurance\\_Standards/Current\\_Standards/Page7.aspx](https://xrb.govt.nz/Site/Auditing_Assurance_Standards/Current_Standards/Page7.aspx)

### **Who we report to**

This report is made solely to the members, as a body. Our audit has been undertaken so that we might state to the members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Pharmacy Guild of New Zealand group and the board members as a body, for our work, for this report, or for the opinions we have formed.





# Statement of Comprehensive Revenue and Expenses

✚ for the year ended 31 December 2017

	NOTE	CONSOLIDATED 2017 \$	2016 \$	PHARMACY GUILD 2017 \$	2016 \$
<b>REVENUE FROM EXCHANGE TRANSACTIONS</b>					
Members' subscriptions		1,850,420	1,875,454	1,850,420	1,875,454
Interest		46,138	56,423	26,248	33,715
Rent		162,922	131,019	162,922	131,019
Dividend from PSL		—	—	—	—
Other income	5	2,688,318	2,404,128	616,371	595,792
<b>Total revenue</b>		<b>4,747,798</b>	<b>4,467,024</b>	<b>2,655,961</b>	<b>2,635,980</b>
<b>EXPENSES</b>					
	6				
Cost of goods sold		1,693,432	1,477,797	—	—
Advocacy and negotiation		813,511	874,715	813,511	874,715
Board		184,591	196,386	184,591	196,386
Promotion		413,901	362,348	413,901	362,348
Training		26,020	34,626	26,020	34,626
Administration		1,344,156	1,675,146	1,113,109	1,333,954
<b>Total expenses</b>		<b>4,475,611</b>	<b>4,621,018</b>	<b>2,551,132</b>	<b>2,802,029</b>
<b>Total surplus / (deficit) for the period</b>		<b>272,187</b>	<b>(153,994)</b>	<b>104,829</b>	<b>(166,049)</b>
Other comprehensive revenue and expenses		—	—	—	—
<b>Total other comprehensive revenue and expenses</b>		<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Total comprehensive revenue and expense before income tax</b>		<b>272,187</b>	<b>(153,994)</b>	<b>104,829</b>	<b>(166,049)</b>
Income tax expense / (benefit)	8	92,448	37,325	45,588	33,950
<b>TOTAL COMPREHENSIVE REVENUE AND EXPENSE AFTER INCOME TAX</b>		<b>179,739</b>	<b>(191,319)</b>	<b>59,241</b>	<b>(199,999)</b>
Surplus or deficit attributable to the owners of the controlling entity		179,739	(191,319)	59,241	(199,999)
Total comprehensive revenue and expense attributable to the owners of the controlling entity		179,739	(191,319)	59,241	(199,999)

The accompanying notes form part of these financial statements.

## Statement of Changes in Equity

✚ for the year ended 31 December 2017

	NOTE	ACCUMULATED REVENUE AND EXPENSE \$	SUBSIDIARY OPERATIONAL FUND \$	DIVISIONAL FUND \$	GUILD SPECIAL FUNDS \$	PROPERTY, PLANT & EQUIPMENT RESERVE	TOTAL
<b>CONSOLIDATED</b>							
Equity at 1 January 2016		2,615,975	81,893	536,676	771,080	–	4,005,624
Profit / (loss) for the year		(222,200)	8,680	22,201	–	–	(191,319)
Use of special purpose funds	19	112,687	–	–	(112,687)	–	–
Total comprehensive income		(109,513)	8,680	22,201	(112,687)	–	(191,319)
<b>EQUITY AT 31 DECEMBER 2016</b>		<b>2,506,462</b>	<b>90,573</b>	<b>558,877</b>	<b>658,393</b>	<b>–</b>	<b>3,814,303</b>
Profit / (loss) for the year		31,932	120,498	27,309	–	–	179,739
Use of special purpose funds	19	5,210	–	–	(5,210)	–	–
Total comprehensive income		37,142	120,498	27,309	(5,210)	–	179,739
<b>EQUITY AT 31 DECEMBER 2017</b>		<b>2,543,604</b>	<b>211,071</b>	<b>586,186</b>	<b>653,183</b>	<b>–</b>	<b>3,994,042</b>
<b>PHARMACY GUILD</b>							
Equity at 1 January 2016		2,720,479	–	536,676	771,080	–	4,028,235
Profit/(Loss) for the year		(222,200)	–	22,201	–	–	(199,999)
Use of special purpose funds	19	112,687	–	–	(112,687)	–	–
Total comprehensive income		(109,513)	–	22,201	(112,687)	–	(199,999)
<b>EQUITY AT 31 DECEMBER 2016</b>		<b>2,610,965</b>	<b>–</b>	<b>558,877</b>	<b>658,393</b>	<b>–</b>	<b>3,828,235</b>
Profit/(Loss) for the year		31,932	–	27,309	–	–	59,241
Use of special purpose funds	19	5,210	–	–	(5,210)	–	–
Total comprehensive income		37,142	–	27,309	(5,210)	–	59,241
<b>EQUITY AT 31 DECEMBER 2017</b>		<b>2,648,106</b>	<b>–</b>	<b>586,186</b>	<b>653,183</b>	<b>–</b>	<b>3,887,476</b>

The accompanying notes form part of these financial statements.

## Statement of Financial Position

✚ as at 31 December 2017

	NOTE	CONSOLIDATED 2017 \$	2016 \$	PHARMACY GUILD 2017 \$	2016 \$
<b>ASSETS</b>					
Cash and deposits	9	1,198,023	742,756	608,824	324,602
Trade and other receivables		424,829	468,261	127,179	130,909
Sundry debtors and prepayments		21,248	55,678	14,152	40,941
Inventories	10	536,736	492,195	–	–
Short term investments		1,050,000	1,250,000	600,000	600,000
Guild current accounts	11	–	–	686,200	835,086
Deferred tax	14	16,455	15,971	3,847	2,893
<b>Total current assets</b>		<b>3,247,291</b>	<b>3,024,861</b>	<b>2,040,202</b>	<b>1,934,431</b>
Property, plant and equipment	12	1,582,572	1,749,584	2,030,859	2,180,287
Intangible assets	13	25,987	7,691	6,543	–
<b>Total non-current assets</b>		<b>1,608,559</b>	<b>1,757,275</b>	<b>2,037,402</b>	<b>2,180,287</b>
<b>Total Assets</b>		<b>4,855,850</b>	<b>4,782,136</b>	<b>4,077,604</b>	<b>4,114,718</b>
<b>LIABILITIES</b>					
Trade and other payables		275,307	417,829	111,234	226,555
Income in advance		23,000	–	–	–
Employee entitlements	15	26,626	21,979	26,626	21,979
Provision for tax	8	49,577	54,902	57,461	64,840
GST payable		22,683	(33,138)	(5,193)	(28,402)
Finance Lease liability	23	–	1,513	–	1,513
Unclaimed gift vouchers	17	464,615	504,750	–	–
<b>Total current liabilities</b>		<b>861,808</b>	<b>967,835</b>	<b>190,128</b>	<b>286,485</b>
Finance term liability	23	–	–	–	–
<b>Total non-current liabilities</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total Liabilities</b>		<b>861,808</b>	<b>967,835</b>	<b>190,128</b>	<b>286,485</b>
<b>NET ASSETS</b>		<b>3,994,042</b>	<b>3,814,303</b>	<b>3,887,476</b>	<b>3,828,235</b>
<b>EQUITY</b>					
Retained surplus		2,543,604	2,506,462	2,648,106	2,610,965
Subsidiary operational fund	19	211,071	90,573	–	–
Divisional fund	19	586,186	558,877	586,186	558,877
Guild special funds	19	653,183	658,393	653,183	658,393
<b>TOTAL EQUITY</b>		<b>3,994,042</b>	<b>3,814,303</b>	<b>3,887,476</b>	<b>3,828,235</b>

The accompanying notes form part of these financial statements.

For and on behalf of the  
board on 15 May 2018:

  
**PRESIDENT**

  
**VICE PRESIDENT**



# Statement of Cash Flows

✚ for the year ended 31 December 2017

	NOTE	CONSOLIDATED		PHARMACY GUILD	
		2017	2016	2017	2016
		\$	\$	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
<b>Receipts</b>					
Subscriptions, ownership levy & other income		4,743,297	4,296,212	2,809,118	2,174,688
Interest received		46,138	56,423	26,248	33,715
Dividend from Pharmaceutical Services Limited		—	—	—	—
Income tax refunded		—	46,014	—	11,225
		<b>4,789,435</b>	<b>4,398,649</b>	<b>2,835,366</b>	<b>2,219,628</b>
<b>Payments</b>					
Payments to suppliers and employees		(4,410,288)	(4,747,887)	(2,475,155)	(2,660,234)
Income tax paid		(98,257)	—	(53,921)	—
		<b>(4,508,545)</b>	<b>(4,747,887)</b>	<b>(2,529,076)</b>	<b>(2,660,234)</b>
Net cash from / (used in) operating activities	22	<b>280,890</b>	<b>(349,238)</b>	<b>306,290</b>	<b>(440,606)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
<b>Receipts</b>					
Sale of property, plant & equipment		18,139	—	—	—
Sale of short term investments		200,000	—	—	—
		<b>218,139</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Payments</b>					
Purchase of plant & equipment		(42,251)	(47,028)	(20,556)	(47,028)
Net cash flows from / (used in) investing activities		<b>175,888</b>	<b>(47,028)</b>	<b>(20,556)</b>	<b>(47,028)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
<b>Payments</b>					
Equipment lease		(1,513)	(4,127)	(1,513)	(4,127)
Net cash flows from / (used in) financing activities		<b>(1,513)</b>	<b>(4,127)</b>	<b>(1,513)</b>	<b>(4,127)</b>
Net increase (decrease) in cash and cash equivalents		455,265	(400,393)	284,221	(491,761)
Cash & cash equivalents at the beginning of the period		742,756	1,143,150	324,602	816,364
<b>CASH &amp; CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>9</b>	<b>1,198,023</b>	<b>742,756</b>	<b>608,824</b>	<b>324,602</b>

The accompanying notes form part of these financial statements.

# Notes to the Financial Statements

✚ for the year ending 31 December 2017

## 1. REPORTING ENTITY

Pharmacy Guild of New Zealand Inc is a public benefit entity for the purposes of financial reporting in accordance with the Financial Reporting Act (2013).

Pharmacy Guild of New Zealand Inc is constituted under the Incorporated Societies Act 1908.

The financial statements presented here are for the entity Pharmacy Guild of New Zealand Inc (the Society) and its 100% owned subsidiary, Pharmaceutical Services Limited, (together the Group) for the year to 31 December 2017.

The Society is a voluntary organisation representing the interests of community pharmacies in New Zealand.

## 2. STATEMENT OF COMPLIANCE

The Group financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ("NZ GAAP"). They comply with Public Benefit Entity International Public Sector Accounting Standards ("PBE IPSAS") and other applicable financial reporting standards as appropriate that have been authorised for use by the External Reporting Board for Not-For-Profit entities. For the purposes of complying with NZ GAAP, the Group is a public benefit not-for-profit entity and is eligible to apply Tier 2 Not-For-Profit PBE IPSAS on the basis that it does not have public accountability and is not defined as large.

The Board of Directors has elected to report in accordance with Tier 2 Not-For-Profit PBE Accounting Standards and in doing so has taken advantage of all applicable Reduced Disclosure Regime ("RDR") disclosure concessions.

## 3. CHANGES IN ACCOUNTING POLICIES

There has been no change in accounting policies. All accounting policies were applied consistently during the year.

## 4. SUMMARY OF ACCOUNTING POLICIES

The significant accounting policies used in the preparation of these financial statements as set out below have been applied consistently to both years presented in these financial statements.

### 4.1 Basis of measurement

These consolidated financial statements have been prepared on the basis of historical cost, as modified by the fair value measurement of investment properties, non-derivative financial instruments and land and buildings which are measured at fair value.

### 4.2 Functional and presentational currency

The consolidated financial statements are presented in New Zealand dollars (\$), which is the Group's functional currency. All financial information presented in New Zealand dollars has been rounded to the nearest dollar.

### 4.3 Basis of consolidation

Controlled entities are all those entities over which the controlling entity has the power to govern the financial and operating policies so as to benefit from its activities. The controlled entities are consolidated from the date on which control is transferred and are de-consolidated from the date that control ceases. In preparing the consolidated financial statements, all inter entity balances and transactions, and unrealised gains and losses arising within the consolidated entity are eliminated in full. The accounting policies of the controlled entity are consistent with the policies adopted by the Group and have a 31 December reporting date.

### 4.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received. The following specific recognition criteria must be met before revenue is recognised.

#### Revenue from exchange transactions

##### *Membership fees and subscriptions*

Revenue is recognised over the period of the membership or subscription (usually 12 months). Amounts received in advance for memberships or subscriptions relating to future periods are recognised as a liability until such time that the period covering the membership or subscription occurs.

##### *Rental revenue*

Rental revenue arising from the operating leases on investment properties is accounted for on a straight line basis over the lease terms and is included in revenue in the Statement of Comprehensive Revenue and Expenses due to its operating nature.

### **Trading**

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer on delivery of the goods and when the amount of revenue can be measured reliably and it is probable that the economic benefits or service potential associated with the transaction will flow to Pharmaceutical Services Limited.

### **Rendering of services**

Revenue is derived from service availability and is recognised as an amount evenly spread over the contracted period. Where the contracted period spans two or more years, any prepayment for the remaining portion of the contract period at year end is recognised as a liability.

### **Interest revenue**

Interest revenue is recognised as it accrues, using the effective interest method.

## **4.5 Financial instruments**

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

The Group derecognises a financial asset or, where applicable, a part of a financial asset or part of a group of similar financial assets when the rights to receive cash flows from the asset have expired or are waived, or the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party; and either:

- the Group has transferred substantially all the risks and rewards of the asset; or
- the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

### **Financial assets**

Financial assets within the scope of NFP PBE IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets. The classifications of the financial assets are determined at initial recognition.

The category determines subsequent measurement and whether any resulting income and expense is recognised in surplus or deficit or in other comprehensive revenue and expenses. The Group's financial assets are classified as financial assets at fair value through surplus or deficit, loans and receivables or as available for sale financial assets. The Group's financial assets include cash & deposits, trade & other receivables and sundry debtors.

All financial assets except for those at fair value through surplus or deficit are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

### **Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less any allowance for impairment. The Group's cash and cash equivalents, receivables from exchange transactions and receivables from non-exchange transactions fall into this category of financial instruments.

### **Impairment of financial assets**

The Group assesses at the end of reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

For financial assets carried at amortised cost, if there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in the surplus or deficit for the reporting period.



In determining whether there is any objective evidence of impairment, the Group first assesses whether there is objective evidence of impairment for financial assets that are individually significant, and collectively significant for financial assets that are not individually significant. If the Group determines that there is no objective evidence of impairment for an individually assessed financial asset, it includes the asset in a group of financial asset with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment for impairment.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting the allowance account. If the reversal results in the carrying amount exceeding its amortised cost, the amount of the reversal is recognised in surplus or deficit.

#### **Financial liabilities**

The Group's financial liabilities include trade and other creditors, employee entitlements and provision for tax.

All financial liabilities are initially recognised at fair value (plus transaction cost for financial liabilities not at fair value through surplus or deficit) and are measured subsequently at amortised cost using the effective interest method except for financial liabilities at fair value through surplus or deficit.

### **4.6 Cash and cash equivalents**

Cash and cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### **4.7 Short term investments**

Short term investments comprise term deposits which have a term of greater than three months and therefore do not fall into the category of cash and cash equivalents.

### **4.8 Inventories**

Inventory held for sale is valued at the lower of cost, determined on a weighted average basis, or net realisable value.

### **4.9 Nature and purpose of reserves**

The Group creates and maintains reserves in terms of specific requirements.

#### **Special Purpose Reserve (SPR)**

The Group has three special purpose reserves as a result of various past transactions. These are generally held for special projects. Further details are found in Note 19 of the financial statements.

### **4.91 Property, plant and equipment**

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Where an asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

Depreciation is charged on a straight line basis over the useful life of the asset, except for land. Land is not depreciated. Depreciation is charged at rates calculated to allocate the cost or valuation of the asset less any estimated residual value over its remaining useful life:

- **Building and building refurbishments** 2.0% - 7.5% straight line
- **Office alterations** 12.5% straight line
- **Furniture** 20.0% straight line
- **Computers** 20.0% - 40.0% straight line
- **Motor vehicles** 21.0% straight line

Depreciation methods, useful lives and residual values are reviewed at each reporting date and are adjusted if there is a change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset.

#### 4.92 Intangible assets

Intangible assets are initially measured at cost. Subsequently, intangible assets are measured in accordance with the cost model, being cost less accumulated amortisation and impairment.

Amortisation is recognised in the surplus or deficit on a straight line basis over the estimated useful lives of each amortisable intangible asset.

The diminishing amortisation rates are:

- **Website** 33.3% - 40% straight line / 3 - 4 years
- **Software** 25% straight line / 4 years
- **Trademarks** 10% straight line / 10 years

#### 4.93 Leases

Payments on operating lease agreements, where the lessor retains substantially the risk and rewards of ownership of an asset, are recognised as an expense on a straight-line basis over the lease term.

#### 4.94 Significant judgments and estimates

In preparing the financial statements, the Board of Directors is required to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. The uncertainty from these assumptions and estimates could result in outcomes that may result in a material adjustment to the carrying amount of the asset or liability.

The Group base its assumptions and estimates on parameters available when the financial statements are prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur. The key significant judgements and estimates used in the preparation of these financial statements are as follows:

#### Gift Vouchers

In valuing unredeemed gift vouchers in the Statement of Financial Position, several key assumptions and estimates have been used in arriving at the value. These are listed as follows:

- Gift vouchers are presented within 4 years of purchase (by Pharmacy).
- 2-year expiry timeframe introduced in 2014 adhered to. This timeframe begins when sold by Pharmacy to customer.
- Gift vouchers not presented within 4 years of purchase by Pharmacy, are deemed unlikely to be presented and income recognised accordingly

#### Classification of non-financial assets as cash generating assets or non-cash-generating assets

For the purposes of assessing impairment indicators and impairment testing, the Group classifies non-financial assets as either cash-generating or non-cash-generating assets. The Group classifies a non-financial asset as a cash-generating asset if the primary objective of the asset is to generate a commercial return. All other assets are classified as non-cash-generating assets.

All property, plant and equipment and intangible assets held by the Group are classified as non-cash-generating assets. This includes assets that generate fee revenue or other cash flows for the Group, as the cash flows generated as generally not sufficient to represent commercial return on the assets

#### 4.95 Income Tax

The income tax expense recognised for the period is based on the accounting profit, adjusted for non-taxable and non-deductible differences. Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in New Zealand.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements as per NZ IAS 12 Income Tax. The deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable, profit or loss.

Deferred income tax uses tax rates, and is substantively based on tax laws, that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

#### 4.96 Trade receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method, less allowance for impairment.

#### 4.97 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value less directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

#### 4.97 Employee entitlements

##### (i) Short-term obligations

Liabilities for wages and salaries that are expected to be settled wholly within a year after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee entitlements in the statement of financial position.

There are no long term employee entitlements recorded at reporting date.

Contributions to defined contribution schemes are charged to profit or loss in the year to which they relate.

#### 4.98 Goods and Services Tax

All amounts are shown exclusive of Goods and Services Tax (GST) except for receivables and payables which are stated inclusive of GST. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of assets or liabilities in the Statement of Financial Position.

## 5. OTHER INCOME

		CONSOLIDATED		PHARMACY GUILD	
	NOTE	2017	2016	2017	2016
		\$	\$	\$	\$
Advertising		1,500	2,675	1,500	2,675
Management fees		—	—	402,960	383,410
Miscellaneous income		155,800	163,541	144,836	144,626
Other subsidiary income		48,445	58,722	—	—
Pharmacode		306,350	317,325	—	—
Publications		1,600	1,931	1,600	1,931
Rendering of services		53,062	60,813	—	—
Sponsorship		65,475	63,150	65,475	63,150
Sale of goods		1,994,716	1,678,101	—	—
Subscriptions		61,370	57,870	—	—
<b>TOTAL OTHER INCOME</b>		<b>2,688,318</b>	<b>2,404,128</b>	<b>616,371</b>	<b>595,792</b>

## 6. EXPENSES

		CONSOLIDATED		PHARMACY GUILD	
	NOTE	2017	2016	2017	2016
		\$	\$	\$	\$
<i>Includes the following:</i>					
Audit fees	7	8,000	14,000	4,429	9,000
Bad debts		12,574	4,000	8,192	(2,000)
Board fees		65,882	56,211	65,882	56,211
Board support costs		118,709	170,936	118,709	170,936
Depreciation and amortisation	12, 13	172,368	221,595	163,441	169,973
Operating leases		3,600	4,638	3,600	4,638
Staff costs		1,303,882	1,309,217	1,303,882	1,309,217

Included in total parent expenditure of \$2,543,368 (2016: \$2,802,029) is expenditure of \$120,850 (2016: \$144,631) paid to external consultants including board members to support the Community Pharmacy Services Agreement.

Also included in total expenditure (within promotion) is the Guild's half share of expenses incurred in the co-hosting of the Pharmacy Awards with The Health Media.

## 7. AUDITOR'S REMUNERATION

	CONSOLIDATED		PHARMACY GUILD	
	2017	2016	2017	2016
	\$	\$	\$	\$
<i>Amounts paid or due and payable to the auditors for:</i>				
RSM Hayes Audit				
Auditing the financial statements	8,000	14,000	4,429	9,000
<b>TOTAL AUDITOR'S REMUNERATION</b>	<b>8,000</b>	<b>14,000</b>	<b>4,429</b>	<b>9,000</b>

## 8. INCOME TAX

	CONSOLIDATED		PHARMACY GUILD	
	2017	2016	2017	2016
	\$	\$	\$	\$
Operating surplus (deficit) before taxation	272,187	(153,994)	104,829	(166,049)
Non-assessable income	(1,783,939)	(1,790,064)	(1,783,939)	(1,790,064)
Non-deductible expenses	1,842,924	2,078,364	1,842,924	2,078,364
<b>Assessable surplus (deficit)</b>	<b>331,171</b>	<b>134,306</b>	<b>163,813</b>	<b>122,251</b>
Tax on assessable surplus (deficit)	92,728	37,605	45,868	34,230
Exemption	(280)	(280)	(280)	(280)
Origination and reversal of temporary differences	–	–	–	–
Tax on other comprehensive income	–	–	–	–
<b>Income tax expense / (credit)</b>	<b>92,448</b>	<b>37,325</b>	<b>45,588</b>	<b>33,950</b>
<i>The income tax (credit) expense is represented by:</i>				
<b>CURRENT TAX</b>				
Current tax	92,933	31,712	46,543	31,712
	<b>92,933</b>	<b>31,712</b>	<b>46,543</b>	<b>31,712</b>
<b>DEFERRED TAX</b>				
Origination and reversal of temporary differences	(485)	(3,558)	(954)	(479)
Benefit of tax losses recognised	–	9,172	–	2,717
	<b>(485)</b>	<b>5,614</b>	<b>(954)</b>	<b>2,238</b>
<b>INCOME TAX EXPENSE / (CREDIT)</b>	<b>92,448</b>	<b>37,325</b>	<b>45,588</b>	<b>33,950</b>

The company tax rate and incorporated society tax rate are 28%.

The Pharmacy Guild of New Zealand (Inc) is engaged in both taxable and non-taxable activities.

Member subscription fees are non-taxable. Revenue from other activities is taxable.

Only expenses directly associated with taxable revenue are deductible for income tax purposes.

Temporary differences are timing differences arising from differences between recognition timing for income tax purposes and recognition timing per the financial reporting standards.

Tax losses recognised are tax losses brought forward from prior years permitted to be recognised in the current year.

## 9. CASH & DEPOSITS

	CONSOLIDATED		PHARMACY GUILD	
	2017	2016	2017	2016
	\$	\$	\$	\$
Cash at bank	798,023	742,756	208,824	324,602
Short term deposits	400,000	–	400,000	–
	<b>1,198,023</b>	<b>742,756</b>	<b>608,824</b>	<b>324,602</b>

## 10. INVENTORIES

	CONSOLIDATED 2017 \$	CONSOLIDATED 2016 \$
Finished goods and goods for resale	536,736	492,195
	<b>536,736</b>	<b>492,195</b>

Write-downs of inventories to net realisable value amounted to \$3,930 (2016: \$33,307). These were recognised as an expense during the year ended 31 December 2017 and included in 'cost of goods sold' in the statement of comprehensive revenue and expenses.

In addition to write-downs of inventories, a separate Provision for Obsolete Stock of \$31,027 (2016: nil) is recorded, being the portion not expected to sell of stock that will become obsolete during 2018.

Rapid Labels Limited (RLL) holds an ongoing PPSR entry over monies owed by Pharmaceutical Services Limited in the normal course of business. At 31 December 2017, the relevant Accounts Payable balance of monies owed to RLL was \$9,861.23 including GST. This liability was paid as per the usual terms of trade by 20 January 2018.



## 11. RELATED PARTIES

- a) The Pharmacy Guild of New Zealand (Inc), as sole shareholder of the company, provides management services to Pharmaceutical Services Limited. All transactions between the parties were conducted at arms length. The following charges were made during the year:

	2017 \$	2016 \$
Management Fee Charges	402,960	383,410
General Office Charges	54,123	98,573
Occupancy Charges	41,584	46,003

- b) No dividend was declared to be paid or credit to The Pharmacy Guild of New Zealand for the year ended 31 December 2017 (2016: \$Nil).
- c) As at 31 December 2017, the intercompany account balance between the Pharmacy Guild of New Zealand and Pharmaceutical Services Limited was \$686,200 (2016: \$835,086). The loan is interest free, and repayable on demand.
- d) Disclosure of Interests by Pharmaceutical Services Limited's Directors

RELATED PARTY	RELATIONSHIP	TYPE OF TRANSACTIONS
Community Pharmacy Interests *	A Roberts	Director & Shareholder
Community Pharmacy Interests *	J Wright	Director & Shareholder

\* Community Pharmacy Interests – represents individuals with shareholding in a company(s) that owns and operates one or more community pharmacy business.

### COMPENSATION OF KEY MANAGEMENT PERSONNEL

Key management personnel of the Group include the Chief Executive, and Senior Management Team. The total remuneration of members of the Group and the number of individuals, on a full-time equivalent (FTE) basis, receiving remuneration from the Group are:

	2017 \$	2016 \$
Total remuneration (5.2 FTE, 2016: 6.0)	698,755	769,472

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.

Key management personnel did not receive any remuneration or compensation other than in their capacity as key management personnel (2016: nil).

The Group did not provide any compensation at non-arm's length terms to close family members of key management personnel during the year (2016: nil).

The Group did not provide any loans to key management personnel or their close family members.

## 12. PROPERTY, PLANT AND EQUIPMENT

	LAND	BUILDINGS & BUILDING REFURBISHMENTS \$	OFFICE ALTERATIONS \$	FURNITURE \$	COMPUTERS \$	VEHICLES	TOTAL
<b>CONSOLIDATED</b>							
<b>COST</b>							
Balance at 1 January 2017	165,871	2,260,067	438,506	363,915	425,910	26,074	3,680,343
Additions	–	–	–	842	13,678	–	14,520
Disposals	–	–	–	(1,080)	–	(26,074)	(27,154)
<b>Balance at 31 December 2017</b>	<b>165,871</b>	<b>2,260,067</b>	<b>438,506</b>	<b>363,677</b>	<b>439,588</b>	<b>–</b>	<b>3,667,709</b>
<b>DEPRECIATION</b>							
Balance at 1 January 2017	–	786,233	419,481	335,703	382,954	6,388	1,930,759
Disposals	–	–	–	(1,080)	–	(7,474)	(8,554)
Depreciation	–	113,319	14,456	10,010	24,060	1,086	162,931
<b>Balance at 31 December 2017</b>	<b>–</b>	<b>899,552</b>	<b>433,937</b>	<b>344,633</b>	<b>407,014</b>	<b>–</b>	<b>2,085,136</b>
<b>CARRYING AMOUNT AT 31 DECEMBER 2017</b>	<b>165,871</b>	<b>1,360,515</b>	<b>4,569</b>	<b>19,044</b>	<b>32,574</b>	<b>–</b>	<b>1,582,572</b>
<b>COST</b>							
Balance at 1 January 2016	165,871	2,260,067	438,506	363,151	379,645	26,074	3,796,112
Additions	–	–	–	764	46,265	–	47,029
Disposals	–	–	–	–	–	–	–
<b>Balance at 31 December 2016</b>	<b>165,871</b>	<b>2,260,067</b>	<b>438,506</b>	<b>363,915</b>	<b>425,910</b>	<b>26,074</b>	<b>3,843,141</b>
<b>DEPRECIATION</b>							
Balance at 1 January 2016	–	672,914	395,754	323,177	366,952	913	1,922,508
Depreciation	–	113,319	23,727	12,526	16,002	5,475	171,049
<b>Balance at 31 December 2016</b>	<b>–</b>	<b>786,233</b>	<b>419,481</b>	<b>335,703</b>	<b>382,954</b>	<b>6,388</b>	<b>2,093,557</b>
<b>CARRYING AMOUNT AT 31 DECEMBER 2016</b>	<b>165,871</b>	<b>1,473,834</b>	<b>19,025</b>	<b>28,212</b>	<b>42,956</b>	<b>19,686</b>	<b>1,749,584</b>

	LAND	BUILDINGS & BUILDING REFURBISHMENTS \$	OFFICE ALTERATIONS \$	FURNITURE \$	COMPUTERS \$	VEHICLES	TOTAL
<b>PHARMACY GUILD</b>							
<b>COST</b>							
Balance at 1 January 2017	245,871	2,628,139	440,823	363,915	425,910	–	4,104,658
Additions	–	–	–	842	11,426	–	12,268
Disposals	–	–	–	(1,080)	–	–	(1,080)
<b>Balance at 31 December 2017</b>	<b>245,871</b>	<b>2,628,139</b>	<b>440,823</b>	<b>363,677</b>	<b>437,336</b>	<b>–</b>	<b>4,115,846</b>
<b>DEPRECIATION</b>							
Balance at 1 January 2017	–	786,233	419,481	335,703	382,954	–	1,924,371
Disposals	–	–	–	(1,080)	–	–	(1,080)
Depreciation	–	113,319	14,456	10,010	23,910	–	161,695
<b>Balance at 31 December 2017</b>	<b>–</b>	<b>899,552</b>	<b>433,937</b>	<b>344,633</b>	<b>406,864</b>	<b>–</b>	<b>2,084,986</b>
<b>CARRYING AMOUNT AT 31 DECEMBER 2017</b>	<b>245,871</b>	<b>1,728,587</b>	<b>6,886</b>	<b>19,044</b>	<b>30,472</b>	<b>–</b>	<b>2,030,859</b>
<b>COST</b>							
Balance at 1 January 2016	245,871	2,628,139	440,823	363,151	379,645	–	4,057,629
Additions	–	–	–	764	46,265	–	47,029
<b>Balance at 31 December 2016</b>	<b>245,871</b>	<b>2,628,139</b>	<b>440,823</b>	<b>363,915</b>	<b>425,910</b>	<b>–</b>	<b>4,104,658</b>
<b>DEPRECIATION</b>							
Balance at 1 January 2016	–	672,914	395,754	323,177	366,952	–	1,758,797
Depreciation	–	113,319	23,727	12,526	16,002	–	165,574
<b>Balance at 31 December 2016</b>	<b>–</b>	<b>786,233</b>	<b>419,481</b>	<b>335,703</b>	<b>382,954</b>	<b>–</b>	<b>1,924,371</b>
<b>CARRYING AMOUNT AT 31 DECEMBER 2016</b>	<b>245,871</b>	<b>1,841,906</b>	<b>21,342</b>	<b>28,212</b>	<b>42,956</b>	<b>–</b>	<b>2,180,287</b>

### 13. INTANGIBLE ASSETS

	TRADEMARKS	SOFTWARE	WEBSITE \$	TOTAL \$
<b>CONSOLIDATED</b>				
<b>COST</b>				
Balance at 1 January 2017	–	162,798	191,742	354,540
Additions – purchased	3,361	4,950	19,421	27,732
<b>Balance at 31 December 2017</b>	<b>3,361</b>	<b>167,748</b>	<b>211,163</b>	<b>382,272</b>
<b>AMORTISATION AND IMPAIRMENT</b>				
Balance at 1 January 2017	–	162,798	184,051	346,849
Amortisation	268	–	9,169	9,437
<b>Balance at 31 December 2017</b>	<b>268</b>	<b>162,798</b>	<b>193,220</b>	<b>356,285</b>
<b>CARRYING AMOUNT AT 31 DECEMBER 2017</b>	<b>3,094</b>	<b>4,950</b>	<b>17,943</b>	<b>25,987</b>
<b>COST</b>				
Balance at 1 January 2016	–	162,798	191,742	354,540
<b>Balance at 31 December 2016</b>	<b>–</b>	<b>162,798</b>	<b>191,742</b>	<b>354,540</b>
<b>AMORTISATION AND IMPAIRMENT</b>				
Balance at 1 January 2016	–	162,798	133,505	296,303
Amortisation	–	–	50,546	50,546
<b>Balance at 31 December 2016</b>	<b>–</b>	<b>162,798</b>	<b>184,051</b>	<b>346,849</b>
<b>CARRYING AMOUNT AT 31 DECEMBER 2016</b>	<b>–</b>	<b>–</b>	<b>7,691</b>	<b>7,691</b>

	TRADEMARKS	SOFTWARE	WEBSITE \$	TOTAL \$
<b>PHARMACY GUILD</b>				
<b>COST</b>				
Balance at 1 January 2017	–	–	53,167	53,167
Additions – purchased	3,361	–	4,927	8,288
<b>Balance at 31 December 2017</b>	<b>3,361</b>	<b>–</b>	<b>58,094</b>	<b>61,455</b>
<b>AMORTISATION AND IMPAIRMENT</b>				
Balance at 1 January 2017	–	–	53,167	53,167
Amortisation	268	–	1,478	1,746
<b>Balance at 31 December 2017</b>	<b>268</b>	<b>–</b>	<b>54,645</b>	<b>54,912</b>
<b>CARRYING AMOUNT AT 31 DECEMBER 2017</b>	<b>3,094</b>	<b>–</b>	<b>3,449</b>	<b>6,543</b>
<b>COST</b>				
Balance at 1 January 2016	–	–	53,167	53,167
<b>Balance at 31 December 2016</b>	<b>–</b>	<b>–</b>	<b>53,167</b>	<b>53,167</b>
<b>AMORTISATION AND IMPAIRMENT</b>				
Balance at 1 January 2016	–	–	48,767	48,767
Amortisation	–	–	4,400	4,400
<b>Balance at 31 December 2016</b>	<b>–</b>	<b>–</b>	<b>53,167</b>	<b>53,167</b>
<b>CARRYING AMOUNT AT 31 DECEMBER 2016</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

Amortisation of intangible assets is recognised within depreciation and amortisation in the statement of comprehensive revenue and expenses.

## 14. DEFERRED TAX ASSETS AND LIABILITIES

### Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	2017 \$	ASSETS 2016 \$	2017 \$	LIABILITIES 2016 \$	2017	NET 2016
<b>CONSOLIDATED</b>						
Employee benefits	(2,761)	(1,651)	–	–	(2,761)	(1,651)
Trade and other payables	(5,006)	(5,162)	–	–	(5,006)	(5,162)
Inventory obsolescence	(8,688)	–			(8,688)	–
Tax value of loss carry-forwards recognised	–	(9,158)	–	–	–	(9,158)
<b>Tax (assets) / liabilities</b>	<b>(16,455)</b>	<b>(15,971)</b>	<b>–</b>	<b>–</b>	<b>(16,455)</b>	<b>(15,971)</b>
Set off of tax						
<b>NET TAX (ASSETS) / LIABILITIES</b>	<b>(16,455)</b>	<b>(15,971)</b>	<b>–</b>	<b>–</b>	<b>(16,455)</b>	<b>(15,971)</b>
<b>PHARMACY GUILD</b>						
Employee benefits	(2,761)	(1,651)	–	–	(2,761)	(1,651)
Trade and other payables	(1,086)	(1,242)	–	–	(1,086)	(1,242)
Tax value of loss carry-forwards recognised	–	–	–	–	–	–
<b>Tax (assets) / liabilities</b>	<b>(3,847)</b>	<b>(2,893)</b>	<b>–</b>	<b>–</b>	<b>(3,847)</b>	<b>(2,893)</b>
Set off of tax						
<b>NET TAX (ASSETS) / LIABILITIES</b>	<b>(3,847)</b>	<b>(2,893)</b>	<b>–</b>	<b>–</b>	<b>(3,847)</b>	<b>(2,893)</b>



## Movement in temporary differences during the year

	BALANCE 1 JANUARY 2016	RECOGNISED IN INCOME	RECOGNISED IN EQUITY	BALANCE 31 DECEMBER 2016
<b>CONSOLIDATED</b>				
Employee benefits	2,415	(763)	–	1,651
Trade and other payables	840	4,322	–	5,162
Tax value of loss carry-forwards utilised	18,330	(9,172)	–	9,158
	<b>21,585</b>	<b>(5,614)</b>	<b>–</b>	<b>15,971</b>

<b>PHARMACY GUILD</b>				
Employee benefits	2,415	(763)	–	1,651
Trade and other payables	–	1,242	–	1,242
Tax value of loss carry-forwards utilised	2,717	(2,717)	–	–
	<b>5,131</b>	<b>(2,238)</b>	<b>–</b>	<b>2,893</b>

	BALANCE 1 JANUARY 2017	RECOGNISED IN INCOME	RECOGNISED IN EQUITY	BALANCE 31 DECEMBER 2017
<b>CONSOLIDATED</b>				
Employee benefits	1,651	1,110	–	2,761
Trade and other payables	5,162	(156)	–	5,006
Inventory obsolescence	–	8,688	–	8,688
Tax value of loss carry-forwards utilised	9,158	(9,158)	–	–
	<b>15,971</b>	<b>485</b>	<b>–</b>	<b>16,455</b>

<b>PHARMACY GUILD</b>				
Employee benefits	1,651	1,110	–	2,761
Trade and other payables	1,242	(156)	–	1,085
	<b>2,893</b>	<b>954</b>	<b>–</b>	<b>3,847</b>

## 15. EMPLOYEE ENTITLEMENTS

	CONSOLIDATED		PHARMACY GUILD	
	2017	2016	2017	2016
	\$	\$	\$	\$
Accrued wages	(25,296)	(29,759)	(25,296)	(29,759)
Holiday pay accrual	51,922	51,737	51,922	51,737
<b>BALANCE AT END OF YEAR</b>	<b>26,626</b>	<b>21,979</b>	<b>26,626</b>	<b>21,979</b>

## 16. LEASES

As at the reporting date, the Group has entered into the following operating lease commitments:

	CONSOLIDATED		PHARMACY GUILD	
	2017	2016	2017	2016
	\$	\$	\$	\$
Less than one year	—	—	—	—
Between one and five years	—	—	—	—
Greater than five years	—	—	—	—
	—	—	—	—

## 17. GIFT VOUCHERS

	CONSOLIDATED 2017 \$	CONSOLIDATED 2016 \$
Opening Balance	504,750	539,485
Additional / reduced provision	(4,645)	17,530
	<b>500,105</b>	<b>557,015</b>
Gift voucher write off	(35,490)	(52,265)
<b>CLOSING BALANCE</b>	<b>464,615</b>	<b>504,750</b>

A 4-year write-off policy was introduced in 2014 (previously 7-years), following the addition of a 2-year expiry timeframe on Pharmaceutical Services Limited gift vouchers.

## 18. SUBSIDIARY COMPANY

### Pharmaceutical Services Limited

	2017 \$	2016 \$
Sales	1,994,716	1,796,784
Profit before taxation	167,358	12,055
Tax expense	(46,390)	–
<b>Profit after tax</b>	<b>120,968</b>	<b>12,055</b>
Equity from prior year	423,381	411,326
Dividend paid	–	–
<b>SHAREHOLDER EQUITY</b>	<b>544,349</b>	<b>423,381</b>
<b>WORKING CAPITAL</b>		
Cash & deposits	589,202	1,068,158
Accounts Receivable	305,382	351,844
Inventory	536,736	492,195
Income Tax Receivable	7,884	9,938
Investments	450,000	650,000
GST Receivable / (Payable)	(27,876)	4,736
Creditors	(873,910)	(1,026,116)
Unclaimed gift vouchers	(464,615)	(504,750)
	<b>522,803</b>	<b>396,005</b>
Intangibles	19,444	7,691
Property & Equipment	2,102	19,686
<b>NET ASSETS</b>	<b>544,349</b>	<b>423,381</b>

The company is a niche marketer of goods and services to pharmacies.

The above details are exclusive of deferred tax adjustments recognised upon consolidation.

## 19. SPECIAL FUNDS

### Subsidiary operational fund \$211,071 (2016: \$90,573)

The reserve is the Pharmacy Guild's change in equity in Pharmaceutical Services Limited.

### Divisional fund \$586,186 (2016: \$558,877)

The reserve represents divisional funds held in the Guild's bank account during the financial year. The funds are available for divisional activity.

The closing funds of the divisions are allocated as follows:

	2017 \$	2016 \$
Division funds – Northern	199,197	190,637
Division funds – Central	140,315	136,530
Division funds – Midland	95,480	89,769
Division funds – Canterbury	103,478	97,601
Division funds – Otago	47,716	44,340
	<b>586,186</b>	<b>558,877</b>

### Pharmacy information fund \$35,217 (2016: \$19,427)

The Guild received \$262,500 in settlement as a result of a dispute that went to mediation in 1997. In 2002, with the ownership of pharmacies under threat by proposed legislation, part of the fund was used in campaign to preserve the current status.

The balance of the fund is now held for special projects.

During 2017, funds of \$60,728 from this fund were spent on issues around medicine margin surcharging funding policy and practice, and \$76,518 of current and prior year expenditure was recovered, resulting in an increase during 2017 in the Pharmacy Information Fund of \$15,790. (2016: expenditure \$54,200)

### Pharmacycare sale fund \$160,253 (2016: \$181,253)

The fund arises from the sale of the Pharmacycare brand in 1998 to concentrate on the generic promotion of community pharmacy.

During 2017, \$21,000 of this fund was spent towards promotion of community pharmacy, on advice relating to proposed pharmacy ownership policy, legislative, and regulatory changes. (2016: \$29,538)

### Pharmacy Xpo sale fund \$457,713 (2016: \$457,713)

In 2001 the Guild sold the rights to Pharmacy Xpo for the sum of \$400,000. This fund is held to cover contingency and special projects.

During 2017, no funds were spent. (2016: \$28,949)

## 20. CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES

The carrying amounts of financial instruments presented in the statement of financial position relate to the following categories of assets and liabilities.

	CONSOLIDATED		PHARMACY GUILD	
	2017	2016	2017	2016
	\$	\$	\$	\$
<b>FINANCIAL ASSETS</b>				
Loans and receivables				
Cash and deposits	1,198,023	742,756	608,824	324,602
Short term investments	1,050,000	1,250,000	600,000	600,000
Receivables from exchange transactions	424,829	468,261	127,179	130,909
	<b>2,672,852</b>	<b>2,461,017</b>	<b>1,336,003</b>	<b>1,055,511</b>
<b>FINANCIAL LIABILITIES</b>				
At amortised cost				
Trade and other creditors	275,307	417,829	111,234	226,555
Employee entitlements	26,626	21,979	26,626	21,979
Provision for tax	49,577	54,902	57,461	64,840
	<b>351,510</b>	<b>494,710</b>	<b>195,321</b>	<b>313,374</b>



## 21. BOARD REMUNERATIONS

		REMUNERATION (HONORARIUMS / FEES / LOCUMS)	
		2017 \$	2016 \$
G Blanchard **	Vice President (from October 2015 to June 2016), President from June 2016	113,084	74,360
K Crisp**	President (to June 2014), Board Member to June 2017	4,045	12,002
P Larson	PSL Director (to June 2016), Board Member to June 2016	—	4,024
K Maxwell	Board Member (from November 2014)	7,884	7,001
K Orr**	President (from June 2014 to June 2016), PSL Director (to September 2015), Board Member to June 2017	2,250	56,426
A Roberts **	Board Member (from June 2014), PSL Director (from June 2016)	4,102	11,243
C Monteith **	Board Member (from June 2015), Vice President from June 2016	32,423	19,940
G Bai	Board Member (from August 2013)	—	1,622
J Wright	Board Member (from June 2016), PSL Director (from September 2016)	18,946	5,847
C Keenan	Board Member (from June 2016)	5,250	3,000
S Heswall	Board Member (from June 2017)	4,400	—
D Bailey	Board Member (from June 2017)	4,524	—
		<b>196,908</b>	<b>195,465</b>

\*\* Includes fees for work and meetings attended in relation to the Community Pharmacy Services Agreement and other project work, and as such are in addition to the remuneration of Board activities.

Travel expenses relating to Board members are included in Board expenses on the statement of comprehensive revenue and expenses.

## 22. CASH FLOW INFORMATION

	CONSOLIDATED		PHARMACY GUILD	
	2017	2016	2017	2016
	\$	\$	\$	\$
Reconciliation of net profit (loss) to net cash from operating activities				
Net profit / (loss)	179,739	(191,319)	59,241	(199,999)
Non-cash flows in operating profit:				
Depreciation	173,563	221,594	163,441	169,973
Gain on disposal of assets	(735)	—	—	—
Movement in income taxes payable	(5,325)	77,726	(7,379)	42,937
Movement in deferred taxes	(484)	5,613	(954)	2,238
Changes in assets and liabilities:				
(Increase) / Decrease in trade debtors receivables and accrued income	77,861	(62,125)	30,520	22,377
(Increase) / Decrease in goods and services tax receivable	55,822	4,820	23,209	13,686
(Increase) / Decrease in stock	(44,541)	(400,077)	—	—
(Increase) / Decrease in interentity current accounts receivable	—	—	148,886	(449,953)
Increase / (Decrease) in payables and provisions	(114,875)	29,268	(110,674)	(41,865)
Increase / (Decrease) in gift vouchers	(40,135)	(34,735)	—	—
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>280,890</b>	<b>(349,238)</b>	<b>306,290</b>	<b>(440,606)</b>

## 23. COMMITMENTS

### Capital commitments

Neither the Group or the Parent had any capital commitments as at 31 December 2017 (2016: nil)

### Finance lease commitments

As at the reporting date, the Parent had the following finance lease commitments:

	CONSOLIDATED		PHARMACY GUILD	
	2017	2016	2017	2016
	\$	\$	\$	\$
Less than one year	—	1,513	—	1,513
Between one and five years	—	—	—	—
Greater than five years	—	—	—	—
	<b>—</b>	<b>1,513</b>	<b>—</b>	<b>1,513</b>

## 24. CONTINGENCIES

The Company and Group have no contingent liabilities or contingent assets at reporting date. (2016: nil)

## 25. EVENTS AFTER THE REPORTING DATE

The Board of Directors and management is not aware of any other matters or circumstances since the end of the reporting period, not otherwise dealt with in these financial statements that have significantly or may significantly affect the operations of the Group.

# ANNUAL GENERAL *meeting minutes*

## ***Held at the Quality Inn, Nelson***

Tuesday 13 June 2017 at 7pm

### ATTENDEES

Andrew Gaudin	Anthony Roberts	Cameron Monteith	Catherine Keenan
Dave Ross	Davina Janssen	Deirdre Magee	Des Bailey
Graeme Blanchard	Grant Bai	Homa Ighani	Ian McMichael
Jason Wright	Jill Hebbard	Karen Crisp	Kathy Maxwell
Ken Orr	Linda Heathy	Lou Earl	Mark Hebbard
Mark Williams	Megan Peters	Nicky Pincep	Nicole Rickman (minute taker)
Nikki Welsh	Sean Magee	Shane Heswall	Simon Alexander
Stuart Hebbard			

### Proxy's

Bruce Leppard	<i>Green Meadows Pharmacy</i>
Sunil Kumar	<i>Unichem Grey Lynn and Unichem Surrey Pharmacy</i>

### Quorum

A required quorum of a minimum of twenty members was achieved

### 1. WELCOME

Guild President Graeme Blanchard welcomed everyone to the 2017 AGM and thanked them for their attendance.

Graeme called for items of general business.

### 2. APOLOGIES

Dale Griffiths	Graeme Smith	Marie Bennett	Maureen Horan
Phil Crisp	Richard Heslop	Sunil Kumar	

*That the apologies be accepted.*

**GRAEME BLANCHARD / CAMERON MONTEITH  
CARRIED**

### 3. TIME TO REMEMBER DECEASED MEMBERS

Those present observed a moment of silence as a mark of respect to members of the Guild who had passed away during the year.

### 4. MINUTES OF THE PREVIOUS ANNUAL GENERAL MEETING

The minutes of the 2016 annual general meeting were taken as read.

*That the minutes of the annual general meeting held on 14 June 2016 be accepted as a true and correct record of the meeting.*

**GRAEME BLANCHARD / KATHY MAXWELL  
CARRIED**

### 5. MATTERS ARISING

Graeme Blanchard called for matters arising that were not covered elsewhere on the agenda.

**GRAEME BLANCHARD / KAREN CRISP  
CARRIED**

### 6. PRESIDENT'S ADDRESS

The President spoke to his written report, as follows:

2016 was another action-packed year for community pharmacy and also saw a number of changes take place at the Guild.

I was extremely grateful to be offered the opportunity to provide leadership and make a real difference for members and for our sector through the role of Guild President.

I feel extremely privileged to be in this position. I strongly believe that if you have ideas and opinions about how things could be done differently and better, the best thing you can do is take some initiative and do something about it. If you are involved in an industry then you must commit to having input into the direction in which it is heading.

I have genuine pride in our profession and what we do for people and I hope members also feel proud. I know that patients value the work we do for them, whether it is offering advice, listening to a problem, sorting medicine issues, or delivering medicine to someone's home. I am also proud to be associated with an organisation such as the Guild, that works extremely hard to support its members in all aspects of business and service provision.

In June 2016 we had a number of changes within the Guild's Board of Directors. Ken Orr stood down from his role as President and I was elected into this role. Ken was elected as President in 2014 and provided dedicated and uncompromised leadership to the Guild throughout his presidency. His ability to look at the bigger picture and plan for the future has been invaluable. His expertise and leadership throughout this time was greatly appreciated by the Board, Guild staff, and by members. Ken continued to have a role on the Board as one of our Northern Electorate board members.

Cameron Monteith was elected as Vice President. Cameron joined the board in June 2015 and has experience in the Australian and UK pharmacy market. Cameron has keenly advocated for Guild members and pharmacy during his time with the Guild so far and we look forward to what can be achieved with Cameron as one of our leaders.

New to the Board in 2016 was Catherine Keenan, owner of Vivian Pharmacy in New Plymouth, representing the Guild's Midland Electorate, and Jason Wright, a partner in Prices Pharmacies in Nelson and Blenheim, representing the Guild's Southern Electorate. The Guild farewelled Paul Larson who left the Guild Board in 2016. I extend my thanks to Paul for his dedication and contribution to the Guild throughout his time on the Board. His effort was much appreciated.

June 2016 was an exciting time to step into the role of Guild President and I believe the work we completed over the following six months will be pivotal to our sector's future. Coming into the role of President I was very aware of the responsibility of the position and the expectations of our members to deliver a sustainable future while also providing good value for our funders. Sector leadership and engagement The Community Pharmacy Leaders Forum (CPLF) continued to build on its success of working collaboratively on issues of common interest and sharing ideas and resources.

CPLF representatives find the forum's regular meetings a positive and proactive way of ensuring alignment between sector representatives on the key issues facing community pharmacy and to maximise pharmacy's contribution to primary and secondary health care. This is an incredibly important forum, guiding and supporting the sector into the future together.

In 2016 the Expert Advisory Group (EAG) was established to oversee the development of the community pharmacy contract and support alignment with the 2-5 year vision for Integrated Pharmacist Services in the Community.



The Group began by reviewing the current level of community pharmacy services being provided throughout the 20 DHB regions.

The Group aims to eliminate post code health care and ensure all New Zealanders have equal access to valuable community pharmacy services regardless of where they live. Once we have more consistent service delivery nationwide we hope that community pharmacy teams will be able to look forward to feeding more innovative service ideas into the EAG.

During 2016 the Guild gave significant consideration to the Pharmacy Action Plan and what this means for our sector's future. The Pharmacy Action Plan, combined with the New Zealand Health Strategy offers community pharmacy a range of opportunities and challenges.

The Action Plan provides an exciting prospect of being able to develop and provide a greater level of care for our patients via funded community pharmacy services. We offer our patients instant access to a trained health professional, and it is important that this is valued by our funders.

To fulfil the desired outcome of the Pharmacy Action Plan, and to be able to bring the sector along on this journey of change, we need research, support, time, and a long-term commitment to policy and funding by DHBs. Our ability to provide accessible, affordable, and appointment-free health care services is very dependent on community pharmacies being viable through our core activities. Like any business, without a sustainable financial base, we simply won't be there when we are needed. Community pharmacy funding needs to be sufficient for each of the services we provide to ensure we can deliver additional services when needed, to meet the ever-increasing and evolving health care needs of our population.

Aligned with this, towards the end of 2016, work towards developing the next Community Pharmacy Services Agreement began ramping up with the development of the Contract Group. Developing a robust, and fit-for-purpose contract that will ensure the delivery of valuable community pharmacy services sustainably into the future is essential and we look forward to the outcome of this very important work.

In July 2016 Andrew Gaudin joined the Guild as Chief Executive, following the farewell of our previous Chief

Executive Lee Hohaia. Andrew joined us at a time of significant and complex change and he really hit the ground running.

I am very proud to say that in his first six months Andrew has done an outstanding job representing and advocating for our members' interests and he continues to do so. I extend my thanks to both him and his high-performing team at Guild HQ for their continued commitment to members throughout the year, and also to supporting the Board. I have the upmost confidence in the significant value the Guild offers members through their knowledge of community pharmacy and their hard work.

I also thank my fellow board members for all of the hours that could have been spent elsewhere, but that they have chosen to dedicate to the Guild, and to guiding the future of our profession.

*That the President's Report be accepted.*

**GRAEME BLANCHARD / DAVE ROSS  
CARRIED**

## **7. ANNUAL ACCOUNTS**

*That the Audited Accounts for the Pharmacy Guild of New Zealand (Inc) and Pharmaceutical Services Limited for the year ended 31 December 2016 be accepted.*

**GRAEME BLANCHARD / CAMERON MONTEITH  
CARRIED**

## **8. APPOINTMENT OF AUDITORS**

*That RSM Hayes be reappointed as auditors for the coming year.*

**GRAEME BLANCHARD / ANTHONY ROBERTS  
CARRIED**

## **9. SETTING OF GUILD FEES FOR THE COMING YEAR**

*That there be no changes to membership fees for the coming year.*

**GRAEME BLANCHARD / DAVE ROSS  
CARRIED**

## 10. LIFE MEMBERSHIP APPOINTMENT

*In accordance with the Guild's Constitution, the Guild's Board of Directors have appointed Stuart Hebberd a life member of the Guild.*

Stuart accepted his appointment as a Life Member.

Graeme spoke of Stuart's vast experience in pharmacy and history of pharmacy ownership. He also spoke of Stuarts sporting achievements.

Graeme invited Stuart to speak and presented him with a gift. Stuart addressed the audience and spoke of his enjoyment having been involved in pharmacy and with the Guild.

## 11. APPOINTMENT OF REPRESENTATIVES

In accordance with Rule 15.1, the following representatives, as advised from the Electorates, are noted:

- Northern Electorate: Kathy Maxwell continues on the board and Shane Heswall is welcomed as a new board member.
- Midland Electorate: Cameron Monteith and Catherine Keenan continue on the board
- Central Electorate: Anthony Roberts and Graeme Blanchard continue on the board
- Southern Electorate: Jason Wright continues on the Board and Des Bailey is welcomed as a new board member.

The appointment of Grant Bai as a co-opted board member was noted as ongoing. Ian McMichael continues on the Board as a non-voting reciprocal board member with the Pharmaceutical Society.

We say goodbye to Ken Orr and Karen Crisp.

Graeme Blanchard thanked Ken Orr and Karen Crisp for their services to the Board. He spoke of their time on the Guild Board and all they had achieved.

Andrew Gaudin and Nicole Rickman also spoke and thanked Ken and Karen for their leadership and guidance.

Ken addressed the audience. He spoke of his time with the Guild, from starting on the Guild's Northern committee, and recommended others got involved in the Guild, or wider pharmacy sector. Ken also thanked Karen for her support.

Karen addressed the audience. She thanked the Guild HQ team for all that they do for the Board and members. Karen also thanked Ken and Grant Short for their support. She also made special mention of the Guild's close relationship with the Pharmaceutical Society and Green Cross Health.

Graeme presented Ken and Karen with farewell gifts.

## 12. ELECTION OF PRESIDENT AND VICE PRESIDENT

In accordance with Rule 17.1, the President announced that the Board of Directors had elected Graeme Blanchard as the new President and Cameron Monteith as the new Vice President.

## 13. GENERAL BUSINESS

There was none.

## 14. CLOSE OF MEETING

Graeme thanked the Board again for their support and leadership.

The meeting concluded at 7.50pm.

Confirmed:



**GRAEME BLANCHARD**  
**PRESIDENT**  
**JUNE 2017**



**Pharmacy Guild Of New Zealand (Inc)**

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