

Dedicated to
member pharmacies

Annual Report 2021

PHARMACY GUILD OF NEW ZEALAND (INC)
FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 DECEMBER 2021

Contents

Please click on the headings below
to jump to that section of the report:

- [02](#) President's Report
- [03](#) Chief Executive's Report
- [04](#) Purpose and Vision
- [04](#) Sector Advocacy
- [08](#) Membership and Professional Services
- [11](#) PSL Activities
- [11](#) The Future of Pharmacy
- [12](#) Statement of Responsibility
- [13](#) Auditor's Report
- [15](#) Statement of Comprehensive Revenue and Expenses
- [16](#) Statement of Changes in Equity
- [17](#) Statement of Financial Position
- [18](#) Statement of Cash Flows
- [19](#) Notes to the Financial Statements
- [40](#) Annual General Meeting Minutes

PRESIDENT'S *report*



Des Bailey – President

Tēnā koutou,

Covid-19 pandemic impacts continue

Covid-19 has been a classic “acute on chronic event”. We have seen the sudden arrival of a health crisis challenging existing community pharmacy work models and routines, on top of the prevailing backdrop of underutilised skills, lagging pay structures, and low recognition of the role and value of community pharmacy in keeping our communities healthy and well.

The arrival of Covid-19 initially brought people together with a shared experience. Two years later, however, the strain is beginning to show. This adds another layer of complexity to our day-to-day core responsibilities of medicine and health delivery within a health system that is already under immense pressure.

In Aotearoa and worldwide, much of general practice switched to telehealth, with substantial work shifting sideways into community pharmacy. Community pharmacy was the one place where the public could still enter and have a face-to-face meeting with a health professional, with the list of services we offer growing at a fast rate, most notably Covid-19 vaccinations for those aged five years and older, funded and unfunded rapid antigen tests and vaccine passes.

Ongoing challenges and opportunities for community pharmacy

Community pharmacy has had to pivot and change with the moving Covid-19 landscape. The challenge we now have is to maintain this momentum and build on our services, embedding them into our ongoing practices.

Covid-19 paediatric vaccinations represented a major opportunity for community pharmacies which had not yet broken into this age bracket for providing vaccination services.

The Pae Ora (The Healthy Futures) Bill is ambitious in its scope, and we all know that new approaches and a unified effort is required to improve some of Aotearoa's health outcomes. We want our pharmacies ideally positioned in communities and, with the new Health New Zealand and the Māori Health Authority, to bring new and collaborative health solutions to all New Zealanders.

Thanks to Guild members and Board

The strength of the Guild relies on both support from our members and good leadership. To this end, I would like to thank our community pharmacy owners for their faith in our organisation, and our past President Cameron Monteith and Vice President Catherine Keenan for the solid foundation they have laid for our Board. I also extend a warm welcome to Ian McMichael and Kesh Naidoo-Rauf, who joined our Board in 2021.

Noho ora mai,

A handwritten signature in black ink that reads "D. Bailey". The signature is written in a cursive, flowing style.

Des Bailey
President

CHIEF EXECUTIVE'S *report*



Andrew Gaudin – Chief Executive

Widening role in Covid-19 pandemic

2021 was another significant year for community pharmacy, with the sector performing a vital, ongoing role in the Covid-19 pandemic response.

As well as maintaining access to medicines for all New Zealanders during global supply chain pressures, community pharmacy became the lead provider in the Covid-19 vaccination programme, widened access to vaccine passes and led the community rollout of supervised rapid antigen testing services.

Throughout the year, the Guild has worked with government and key officials to secure a key role for pharmacies in these initiatives. We also continued to support members with valuable resources and tools, and timely communications to manage the impact of Covid-19 on their businesses.

Health reforms – continuing to engage with government

Through the pandemic, pharmacies further established their reputation as trusted, accessible health professionals, delivering vital health services equitably to their local communities. Under the government's health system reforms, we expect this to continue, with pharmacy performing an increasingly vital role in primary and community care settings.

Through our coordinating role in the Community Pharmacy Leaders Forum and Federation of Primary Health Aotearoa New Zealand, the Guild has advocated – and will continue to advocate – to ensure community pharmacy's key role in the new health system.

Advocacy: ICPSA, workforce pressures, funding policies

Sector advocacy for members' business and professional interests forms a key part of the Guild's work, and the negotiations for the national annual agreement review of the ICPSA are an important part of this. In 2021, the Guild, together with other sector representatives and DHBs, led a swift and successful round of talks. Notably, these negotiations delivered pricing parity with general practice for the annual funding uplift rate applied toward cost pressures.

Sector advocacy also progressed this year toward addressing sustainable workforce challenges. The two important independent review reports that we sought in 2020 on wage cost pressures, and the community pharmacy service and funding model, were released in September 2021. These strongly vindicated the concerns we have consistently raised over the last few years and are fundamental for building the case to government to enable a sustainable workforce and ongoing financial viability for the sector.

In 2022, the Guild will maintain a strong focus on progressing advocacy for these core priorities for community pharmacy, to the benefit of all New Zealanders.

Andrew Gaudin
Chief Executive

PURPOSE & *vision*

SECTOR *advocacy*

Who are we and why we exist

Our purpose

We exist, as a national membership organisation that represents the majority of community pharmacy owners, to meet members' business and professional needs.

We do this by both providing sector leadership and advocacy services to advance the business and professional interests of community pharmacy, and by providing a range of practical business tools and resources to help our members more easily run successful businesses.

Our vision

Community pharmacy is recognised as the centre of accessible, equitable, high quality, value for money healthcare and wellness services, for all consumers in our communities.

What we did and how we performed

Engagement with government on key sector issues

The Guild worked closely with the government to advance the case for greater recognition of community pharmacy within the health system. In 2021, this saw the Guild engage at ministerial level, including meeting with the Minister of Health to directly advance our concerns about the real dangers posed by the pressing challenges of professional workforce sustainability and sector financial viability. As a result, the Minister of Health committed to further engagement on co-payment policy and to reconsider funding to support the sector's response to Covid-19.

Guild Chief Executive, representing the Federation of Primary Health Aotearoa New Zealand, also positioned the Federation with the Minister of Health as the predominant go-to sector voice for primary and community healthcare services as part of the government's health system reforms.

The Guild provided feedback and advice on the Minister of Health's case for change and the future of the health and disability system. We were pleased to see the government direction aligned with feedback and recommendations we had consistently raised as part of the Health and Disability System Review.

We also provided input into the government's review of Pharmac, participating in two sessions with the government-appointed review panel. The Guild raised key concerns about achieving medicine-access equity in New Zealand, the need for a comprehensive use of a medicines policy/strategy and concerns about growing out-of-stock medicine consequences for pharmacies.

We developed and submitted a proposal to the Associate Minister of Health and Director-General of Health for the establishment of supervised rapid antigen testing services via community pharmacy. The service was subsequently implemented at the end of 2021.

We also hosted the Minister of Health as our guest at the New Zealand Primary Healthcare Awards.

Represent members in Integrated Community Pharmacy Services Agreement (ICPSA) discussions

The Guild represents members in all key funding discussions, including the Integrated Community Pharmacy Services Agreement (ICPSA) national annual agreement review. The Guild is equipped with the capability, capacity, expertise, and relationships to do this effectively.

2021 saw the introduction of Variation 3 of the ICPSA. The Guild again acted on behalf of members in national annual agreement review (NAAR) discussions. Due to Covid-19, it was agreed that 2021 negotiations would be focused on key issues given the workload pressures all parties were facing.

Key Guild staff, along with Guild lawyers, attended four NAAR meetings with DHB and Ministry of Health representatives. We also led participation in pre-meetings with other key sector representatives before NAAR meetings to strategise and post-meetings to debrief. The Guild also spent time analysing funding data and verifying DHB figures to maximise funding for the sector.

Variation 3 resulted in an additional \$15.8 million (2.7%) for cost pressures paid via Schedule 2 and on an evergreen (ongoing) basis. Importantly, 2.78% is the same funding increase received for cost pressures by general practice in 2021.

DHBs forecast dispensing volume increasing by 4.2% for 2021/22 based on population growth, demographic changes, and the impact of ongoing global supply chain issues. This would mean an additional \$22.8 million in dispensing fees, increasing total community pharmacy sector funding by around 7.0% (\$38.6 million) under Variation 3.

Annual funding has, however, increased by much more than this because of the introduction of Covid-19 vaccinations, vaccine passes and supervised rapid antigen testing in 2021, post contract negotiations.

We estimate that funding from Covid-19 primary course vaccinations in 2021 amounted to between \$58.5 and \$79.1 million.

That means the annual increase in total funding for community pharmacy services in 2021 was at least between \$97.1 and \$117.7 million (an increase of at least 17.6%). A key success of our negotiation was achieving pricing parity with general practice, including after-hours funding.

We provided members with a summary of Variation 3 and recommended that they accept the voluntary variation. We supported members throughout the year, responding to various contact-related queries, covering everything from understanding funding, to onboarding new Covid-19 services, to local contract variations.

As part of ICPSA Variation 2 in 2020, DHBs agreed to independent reviews of the service and funding model and wage cost pressures, following strong advocacy from the Guild. A stage one report for each of these independent reviews was completed in 2021 and released by DHBs following Variation 3 being offered to contract holders.

The Independent Review of Community Pharmacy Services report does not present any case for change to the current ICPSA community pharmacy service model.

The report does, however, clearly recommend the need to review the community pharmacy funding model. It effectively confirms the need to develop and implement a sustainable funding and pricing model, as we have sought, and notes that this should be considered as a priority for attention. This supports concerns we had consistently been raising about underfunded ICPSA service lines for several years.

The Independent Review of Wage Cost Pressures report clearly vindicates the concerns we had been raising over many years regarding material unmet wage cost pressures.



SECTOR *advocacy*

We have demonstrated that pharmacies cannot afford to address the material unmet wage cost pressures found in the report, hence more funding is required from the government.

We were particularly concerned with the subjective dismissal of additional funding as the obvious solution to address unmet wage cost pressures and pressing workforce sustainability issues, with no objective analysis to support dismissing this logical option.

We sought further joint work to fully address our concerns to ensure that members can continue to operate viable businesses.

We provided members with a detailed summary of the two independent reports.

Work with others in the sector to improve the position of community pharmacy

Throughout 2021 the Guild worked with other key sector organisations on mutual issues of interest.

This included Guild staff pharmacists attending 25 Sector Collaborative meetings, where pharmacists from the Guild, Pharmaceutical Society and Green Cross Health developed joint guidance for the sector, unsurprisingly, Covid-19 dominated this work.

Guild staff also met with wholesalers, local community pharmacy groups, the Pharmacy Council and Medicines Control, as well as many other key groups and organisations.

We met with the Pharmacy Council team regularly to understand what they were working on, particularly with recent changes to the recertification system. Likewise, Medicines Control held regular meetings to update us on pharmacy quality audit results and how we could help improve these.

The Guild Chief Executive is a member of the board of the Federation of the Primary Health Aotearoa New Zealand, which brings together primary and community healthcare leaders representing PHOs, pharmacy, midwifery, allied health, nursing and others, and aims to lead the discussion on primary care policy and related health system reform implementation issues in New Zealand. 17 Federation meetings were held in 2021.

The Guild also chairs the Community Pharmacy Leaders Forum (CPLF), a group made up of the leaders from the Guild, Pharmaceutical Society, Green Cross Health, and Community Pharmacy Groups from the Bay of Plenty, Canterbury, MidCentral and Midland. The group aims to work together to collectively progress key issues for the community pharmacy sector. We facilitated three CPLF meetings in 2021.

The Guild is a member of the World Pharmacy Council (WPC), a group made up of organisations representing community pharmacy worldwide that aims to build international recognition of community pharmacy, its role and value, and to influence, promote and secure acceptance of community pharmacy as an important and integral part of health systems. We participated in four WPC meetings in 2021.

25

Sector
Collaborative
meetings

7

Meetings with
Medicines Control

17

Federation meetings

3

Community Pharmacy
Leaders Forum meetings

4

World Pharmacy
Council meetings

14

Meetings
with Pharmacy
Council staff

Advocate for community pharmacy with District Health Boards, health officials and decision makers

2021 saw the introduction of regular meetings with the Ministry of Health and key sector organisations in response to workload pressures and new services introduced due to Covid-19. Guild staff attended 98 meetings with the Ministry of Health in 2021, 27 of which were exclusively focused on getting the supervised rapid antigen testing (RAT) service up and running in time for the go live date.

The Guild also attended meetings with the Transition Unit as part of their work developing the Health Plan and Health Charter, attended meetings and calls with DHB representatives on behalf of local members and worked with political lobbyists to ensure community pharmacy issues stay firmly on the government's agenda.

12
Submissions

79
Media responses
provided



98



Meetings with
the Ministry
of Health

The Guild regularly submits on proposals and consultations likely to impact members. In 2021 we responded to 12 submissions – three from Medsafe (this includes the Medicines Classification Committee), four from the Ministry of Health and five from Pharmac. Given the impact of Covid-19, many proposed changes were put on hold and not consulted on, this has resulted in a lower number of submissions in recent years, including in 2021.

Raise the media profile of community pharmacy

The media provides an opportunity for the Guild to represent community pharmacy to the public as well as raise the profile of the Guild at a national level. In 2021, the Guild issued four media releases and responded to 79 media enquiries from print, radio and television media outlets. It is the Guild's policy to reply promptly to all media enquiries and, where possible, provide either written responses or interviews with the Chief Executive.

Community pharmacy's continuing significant role in the government's pandemic response saw media interest in a range of Covid-19 topics, including vaccinations, vaccine passes and rapid antigen testing.

The relatively slow onboarding of community pharmacies for the Covid-19 vaccination rollout, particularly in Auckland, saw a marked increase in media enquiries in August, at the time of the Delta variant outbreak, when Auckland, as the epicentre of the outbreak, had only onboarded 12 community pharmacies.

For onboarding at this time, the Guild highlighted to media the highly variable and overly bureaucratic processes between DHBs. We were pleased to note that by the end of December, community pharmacy had provided 1.624 million Covid-19 primary vaccine doses (around 20% of total doses).

Member pharmacies also received media enquiries on Covid-related topics, notably those that were identified as a Covid-19 location of interest. To assist members who were approached by the media, we included advice on making a comment to the media as part of our "Guidance for pharmacies identified as a location of interest". This resource was made available on the member-only section of our website.

MEMBERSHIP AND PROFESSIONAL *Services*

Support our members in the everyday running of their pharmacies

The Guild's other key function is to support members in the everyday running of their pharmacies. The Guild does this with the provision of essential advice lines, business tools and resources, and timely information and updates.

2021 saw the introduction of additional member tools, along with two new member discounts – from PainWISE, a programme that helps members set up a pain service in their pharmacy, and Wageloch, a platform that automates rostering, staffing, time and attendance tasks.

Covid-19 member tools

A key focus in 2021 was the development of tools and resources to help members manage the unique demands of Covid-19. The Guild developed 25 new resources to support members, covering business and HR, Covid-19 vaccinations, and supervised rapid antigen testing. These included mandatory vaccination guidelines, advice on mask wearing, guidance on the Covid-19 protection framework, FAQs for rapid antigen testing and a range of posters. All resources were made available on our website.

Advice lines

The Guild team provides a range of support, such as practice, business and audit support, via phone and email. In 2021, there were 350 queries from members seeking assistance with day-to-day issues, with over 215 practice or audit queries, on everything from dispensing frequency and controlled drugs to setting up new service offerings.

We also received more than 75 Covid-19 member queries. These included what to do where the pharmacy was identified as a location of interest, operating with reduced capacity, providing services for customers not wearing masks, setting up vaccinations and supervised rapid antigen testing services, and offering vaccine passes.

The human resource (HR) advice 0800 number and email provides members with expert HR assistance via our contracted HR company, Humankind. The service enables members to get the answers they need to most HR issues. This year our HR advice line received 325 queries.

Examples included questions on the Covid-19 mandatory vaccination order, government support schemes where staff needed to isolate due to Covid-19 and changes to the Holidays Act 2003, including sick leave.

Remuneration survey

Each year the Guild undertakes a remuneration survey to collect up-to-date information on current industry staffing and wage trends. This information is shared with members to assist them with their employment decision-making. Three new roles were included in the survey for the first time: Covid-19 vaccinator, Covid-19 vaccinators – working under supervision and CIR Administrator. This year 135 members completed the survey by sharing their staff wage rates.

Magazines and e-newsletter

The Guild ensures members are kept informed on the latest sector information through a weekly e-newsletter, as-required emails, and regular printed magazines.

Every Wednesday, Guild members received an e-newsletter, *Guild InTouch*, with the latest sector news, information, webinars and surveys. In 2021, 50 e-newsletters were delivered to members' inboxes. When urgent matters arise, these are communicated to members via direct email. Direct emails were sent with important Covid-19 updates, such as changes to alert levels, the mandatory vaccination requirement for health workers, the introduction of vaccine passes and the new rapid antigen testing service.

Contact is the Guild's flagship monthly printed magazine for pharmacists and pharmacy owners. There were 11 editions published in 2021. The magazine is an opportunity to take an in-depth look at clinical, policy, HR and business topics. It is distributed to over 750 pharmacies and key health sector stakeholders, and also published on the member-only section of our website.

T&A Topics is the bi-monthly magazine for technicians and assistants, providing current trends and information for frontline pharmacy staff. There were six editions of *T&A Topics* published in 2021.

Marketing material

To help members promote services within their pharmacies, we are continually adding to and updating our range of marketing material, which members can order free from our website.

In 2021, the Guild has made available a number of new and updated member-exclusive posters on our website. These included:

- A new “Struggling with Pain” poster, encouraging patients to talk to a community pharmacist about managing their pain.
- An updated flu vaccine poster for funded patients.
- Updated “Focus on” posters, promoting the role of community pharmacists in treating minor heart, skin, joint, eye and foot conditions.
- An updated tear-off pad explaining the prescription subsidy.
- Updated posters designed to raise awareness of the important role community pharmacists play in delivering primary healthcare to New Zealanders and showing how community pharmacists help their patients and customers.

Annual membership survey

Given the unprecedented demands on pharmacies in 2021 due to Covid-19 and the rollout of supervised rapid antigen testing, the Guild made the decision to defer the annual membership survey.



The survey, which helps identify areas where we can improve our performance for members, is scheduled again for late 2022.

Keep members informed and provide opportunities for them to network with their colleagues

The Guild runs events each year to keep members informed on Guild activities, promote member benefits and provide an opportunity for members to network with their pharmacy colleagues. Due to Covid-19 restrictions, we were unable to run our usual number of events.

Through May, we ran a series of roadshows around the country. These consisted of 11 in-person events, attended by 225 members, along with a webinar, attended by approximately 50 members unable to attend in person. The events covered key sector issues, such as the Covid-19 vaccination rollout, and the independent reviews of wage cost pressures, and service and funding models. A Pharmacy Sleep Service rep was in attendance to explain the service and the business opportunities for pharmacies.

In June, the Guild held its AGM, with 19 attendees. The Guild's annual leadership day was also held in June. This gives local pharmacy leaders, the Guild Board and key Guild staff the opportunity to get together to plan for the future. The focus of the leadership day was local groups and service development.

215

Practice or audit member queries

135

Members completed the remuneration survey

75

Covid-19 member queries

50

Editions of *Guild InTouch* sent

325

Calls or emails to the 0800 HR advice line

11

Editions of *Contact* and six editions of *T&A Topics* published

MEMBERSHIP AND PROFESSIONAL *Services*

The Guild Chief Executive and General Manager attended the inaugural Independent Pharmacy conference at the end of July. The conference was an opportunity to engage and network with members along with other key stakeholders and recruit non-members. The Chief Executive, who had been invited to speak, gave an update on the pharmacy sector and the Guild's work priorities. The Guild had a stall to promote and showcase the Guild's work, including some of the tools and benefits on offer to member pharmacies.

Four webinars were organised for members throughout the year. Guild members were invited to a live Q&A webinar hosted by our HR advisors, Humankind, to explain the changes to sick leave entitlements. Later in the year, Humankind hosted another webinar to explain the mandatory vaccination order for health workers.

As part of our privately funded service offerings, the Guild organised a webinar about PainWise, to explain the service and the pain management opportunities for community pharmacies.

Take an interest in the future of the profession by sponsoring pharmacy academia and awards

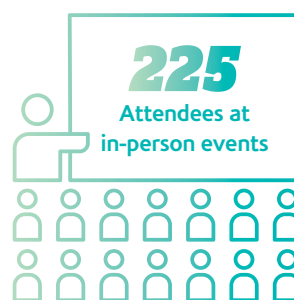
The Guild sponsors both the Auckland Pharmacy Students Association and the New Zealand Association of Pharmacy Students Otago and has done so for many years. We also sponsor student prizes at both universities.

The Guild co-hosted the 2021 New Zealand Primary Healthcare Awards / He Tohu Mauri Ora, with The Health Media, which was held on 15 May 2021. The awards encourage collaboration and innovation in primary care by showcasing to the healthcare sector and the public how hard primary care practitioners work to improve the health and wellbeing of all New Zealanders.

A strong primary care sector is crucial to a successful New Zealand health system. The collective aim is to improve access, health and wellbeing outcomes for Māori and non-Māori alike, and the awards celebrate the work that is already happening to encourage further collaboration.

The Guild's role in the running of the awards is to facilitate the logistics of the event, support and encourage entries and co-host the attendees at the gala dinner. The Guild was honoured to host Hon. Minister Andrew Little as a guest of honour in 2021, who expressed his gratitude and admiration to the sector during the Covid-19 pandemic.

In 2021, the successful event was attended by 622 people. It awarded winners in 21 categories, with 133 outstanding entries received in total.



622
People attended the
New Zealand Primary
Healthcare Awards



PSL

ACTIVITIES

THE FUTURE FOR

pharmacy

Pharmaceutical Services Ltd (PSL) is the wholly owned trading subsidiary of the Guild. It exists to make a profit to fund Guild activities and lower the cost of Guild membership fees.

The PSL Board decided in 2021 not to continue supplying the Boody Everyday and Active ranges to pharmacies and health stores. The popularity of these ranges meant Boody was able to set up a warehouse in New Zealand to dispatch the full Boody range. This change gave pharmacies access to more Boody products and the simplicity of ordering from a single supplier.

As a result, PSL operations were streamlined and efficiencies gained, which enabled PSL to retain existing profit levels through their remaining product and service range.

GuildLink

GuildLink is a cloud-based programme that gives subscribers access to a full set of up-to-date template standard operating procedures (SOPs). Guild members receive a discount on the annual subscription fee. During 2021, there were 246 subscribers to GuildLink, with 136 SOPs available through the GuildLink database.

Pharmacode®

Pharmacode, which is managed by PSL on behalf of the Guild, provides a unique product identifier for pharmaceuticals. It enables all pharmacies to purchase items from New Zealand pharmaceutical suppliers using a Pharmacode identifier.

To have products included in the Pharmacode database, suppliers submit a Pharmacode order form to PSL. During 2021, 2,880 new Pharmacode identifiers were assigned.

Pharmacy products

PSL continued to offer pharmacies a range of essential products. These included bags and labels, cold chain equipment (ice boxes, travel kits, fridges, temperature monitoring and accessories), labels (barcode, dispensary and patient information labels), retail products (including the Vita Diet range), safes, scales and weights, stationery (including name badges), and printers.

Community pharmacy has an increasingly important role to play within the expanded primary and community health services, envisioned by the government's bold health system reforms.

New health entities will establish themselves in 2022, and the development of the Health New Zealand Plan and Health Charter will begin. The Guild will continue its advocacy work and engagement with government and key officials as this reform work progresses.

We will seek to have essential community pharmacy services readily accessible to all New Zealanders, no matter where they live. Equally, we will advocate for expansion of local pharmacy service innovations that best respond to meeting local community health and wellbeing needs.

The Guild will maintain a strong focus on progressing the pressing core priorities for community pharmacy. This includes targeted removal of the co-payment to enable a stronger performing health system and to reduce barriers to essential community pharmacy services, as well as addressing the sustainable workforce challenges.

The sector's Covid-19 response fully aligns with our expectations for the vital and expanded role for community pharmacy in primary and community care settings as part of the health system reforms. Community pharmacy's role in this response is likely to continue, helping save lives and livelihoods. Since the end of 2021, Covid-19 vaccinating pharmacies are already delivering booster doses for those aged 16 years and over and vaccinations for the 5- to 11-year-old age group, and selected pharmacies are dispensing oral therapeutics to treat Covid-19 patients.

Community pharmacy has continued to demonstrate the vital role it plays in New Zealand's health system, keeping people healthy and well, and out of hospital.

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

Statement of Responsibility

✚ for the year ended 31 December 2021

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 13.

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 comprehensive revenue and expenses 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 2021;
- 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 2021;
- 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 2021;
- there are reasonable grounds to believe that the Guild will be able to pay its debts as and when they fall due.



Des Bailey
President

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 2021;
- the consolidated and separate statement of comprehensive revenue and expenses for the year then ended;
- consolidated and separate statement of changes in equity for the year then ended;
- consolidated and separate statement of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements on pages 15 to 39 present fairly, in all material respects, the financial position of Pharmacy Guild of New Zealand (Inc) and its subsidiary as at 31 December 2021, 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 group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* 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 its subsidiary.

Other information

The board members are responsible for the other information. The other information comprises the Annual Report 2021 pages 1 to 12 and 40 to 41 (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 Pharmacy Guild of New Zealand (Inc) and its subsidiary, 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 its subsidiary, for assessing the Pharmacy Guild of New Zealand (Inc)'s and subsidiary'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 economic 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://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-7/>

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 (Inc) and the members as a body, for our work, for this report, or for the opinions we have formed.



RSM Hayes Audit
Auckland

24 May 2022

Statement of Comprehensive Revenue and Expenses

for the year ended 31 December 2021

	NOTE	CONSOLIDATED		PHARMACY GUILD	
		2021	2020	2021	2020
		\$	\$	\$	\$
REVENUE FROM EXCHANGE TRANSACTIONS					
Members' subscriptions		1,689,792	1,738,928	1,689,792	1,738,928
Interest		22,928	50,985	16,695	39,250
Rent		200,103	175,564	200,103	175,564
Other income	5	2,757,506	2,710,668	746,842	857,563
		4,670,329	4,676,146	2,653,432	2,811,305
REVENUE FROM NON-EXCHANGE TRANSACTIONS					
Wage subsidy		–	58,889	–	–
		–	58,889	–	–
Total revenue		4,670,329	4,735,035	2,653,432	2,811,305
EXPENSES					
	6				
Cost of goods sold		1,584,184	1,530,193	–	–
Advocacy and negotiation		580,883	704,965	580,883	704,965
Board		110,503	71,348	110,503	71,348
Promotion		667,763	710,296	667,763	710,296
Training		14,198	7,838	14,198	7,838
Administration		1,317,766	1,286,304	1,196,613	1,176,108
Total expenses		4,275,295	4,310,944	2,569,959	2,670,555
Total surplus / (deficit) for the period		395,034	424,091	83,473	140,750
Total comprehensive revenue and expense before income tax		395,034	424,091	83,473	140,750
Income tax expense / (benefit)	8	88,126	81,642	889	2,307
TOTAL COMPREHENSIVE REVENUE AND EXPENSE AFTER INCOME TAX		306,907	342,449	82,584	138,443
Surplus or deficit attributable to the owners of the controlling entity		306,907	342,449	82,584	138,443
Total comprehensive revenue and expense attributable to the owners of the controlling entity		306,907	342,449	82,584	138,443

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

for the year ended 31 December 2021

	NOTE	ACCUMULATED REVENUE AND EXPENSE	SUBSIDIARY OPERATIONAL FUND	DIVISIONAL FUND	GUILD SPECIAL FUNDS	TOTAL
CONSOLIDATED		\$	\$	\$	\$	\$
Equity at 1 January 2020		2,627,085	471,171	611,858	653,183	4,363,295
Profit/(Loss) for the year		119,015	204,005	19,428	–	342,449
Use of special purpose funds	19	–	–	–	–	–
Total comprehensive income		119,015	204,005	19,428	–	342,449
EQUITY AT 31 DECEMBER 2020		2,746,100	675,176	631,287	653,183	4,705,745
Profit/(Loss) for the year		68,151	224,324	14,432	–	306,907
Use of special purpose funds	19	–	–	–	–	–
Total comprehensive income		68,151	224,324	14,432	–	306,907
EQUITY AT 31 DECEMBER 2021		2,814,251	899,500	645,720	653,183	5,012,652

GUILD						
Equity at 1 January 2020		2,731,585	–	611,858	653,183	3,996,628
Profit/(Loss) for the year		119,015	–	19,428	–	138,443
Use of special purpose funds	19	–	–	–	–	–
Total comprehensive income		119,015	–	19,428	–	138,443
EQUITY AT 31 DECEMBER 2020		2,850,599	–	631,286	653,183	4,135,072
Profit/(Loss) for the year		68,151	–	14,432	–	82,584
Use of special purpose funds	19	–	–	–	–	–
Total comprehensive income		68,151	–	14,432	–	82,584
EQUITY AT 31 DECEMBER 2021		2,918,749	–	645,719	653,183	4,217,656

The accompanying notes form part of these financial statements.

Statement of Financial Position

as at 31 December 2021

	NOTE	CONSOLIDATED		PHARMACY GUILD	
		2021	2020	2021	2020
		\$	\$	\$	\$
ASSETS					
Cash and deposits	9	1,523,596	911,136	860,043	533,997
Trade and other receivables		323,327	421,245	141,331	137,786
Sundry debtors and prepayments		147,935	115,492	148,913	115,300
Inventories	10	47,762	334,248	–	–
Short term investments		2,250,000	2,250,000	1,600,000	1,600,000
Guild current accounts		–	–	73,473	226,183
Deferred tax	14	10,689	24,591	4,160	5,050
Total current assets		4,303,308	4,056,711	2,827,920	2,618,315
Property, plant and equipment	12	1,132,078	1,254,665	1,582,467	1,705,053
Intangible assets	13	24,712	46,335	14,280	23,421
Total non-current assets		1,156,790	1,301,000	1,596,747	1,728,474
Total Assets		5,460,099	5,357,711	4,424,667	4,346,789
LIABILITIES					
Trade and other payables		213,162	336,468	75,334	104,251
Income in advance		61,800	14,500	61,800	14,500
Employee entitlements	15	74,470	89,517	74,470	89,517
Provision for tax	8	12,222	52,742	2,626	12,359
GST payable		11,362	23,228	(7,217)	(8,910)
Unclaimed gift vouchers	17	74,435	135,515	–	–
Total current liabilities		447,451	651,971	207,012	211,718
Finance term liability	23	–	–	–	–
Total non-current liabilities		–	–	–	–
Total Liabilities		447,451	651,971	207,012	211,718
NET ASSETS		5,012,652	4,705,744	4,217,656	4,135,072
EQUITY					
Retained surplus		2,814,251	2,746,100	2,918,749	2,850,599
Subsidiary operational fund	19	899,500	675,176	–	–
Divisional fund	19	645,720	631,287	645,719	631,286
Guild special funds	19	653,183	653,183	653,183	653,183
TOTAL EQUITY		5,012,652	4,705,744	4,217,656	4,135,072

The accompanying notes form part of these financial statements.

For and on behalf of the
Board on 24 May 2022

S. C. Bailey

PRESIDENT

A. J. Roberts

VICE PRESIDENT

Statement of Cash Flows

for the year ended 31 December 2021

	NOTE	CONSOLIDATED		PHARMACY GUILD	
		2021	2020	2021	2020
		\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts					
Subscriptions, ownership levy & other income		4,673,406	4,730,585	2,752,291	2,963,855
Interest received		22,928	50,985	16,695	39,250
		4,696,334	4,781,570	2,768,986	3,003,105
Payments					
Payments to suppliers and employees		(3,956,898)	(4,131,263)	(2,420,972)	(2,574,984)
Income tax paid		(114,744)	(93,769)	(9,734)	(18,291)
		(4,071,643)	(4,225,032)	(2,430,706)	(2,593,275)
Net cash from / (used in) operating activities	22	624,691	556,538	338,280	409,830
CASH FLOWS FROM INVESTING ACTIVITIES					
Receipts					
Sale of property, plant & equipment		–	–	–	–
Sale of short term investments		–	–	–	–
		–	–	–	–
Payments					
Purchase of plant & equipment		(12,233)	(58,323)	(12,235)	(50,610)
Purchase of short term investments		–	(200,000)	–	–
		(12,233)	(258,323)	(12,235)	(50,610)
Net cash flows from / (used in) investing activities		(12,233)	(258,323)	(12,235)	(50,610)
CASH FLOWS FROM FINANCING ACTIVITIES					
Payments					
Equipment lease		–	–	–	–
		–	–	–	–
Net cash flows from / (used in) financing activities		–	–	–	–
Net increase (decrease) in cash and cash equivalents		612,460	298,215	326,045	359,220
Cash & cash equivalents at the beginning of the period		911,136	612,921	533,997	174,777
CASH & CASH EQUIVALENTS AT THE END OF THE PERIOD	9	1,523,596	911,136	860,043	533,997

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

✚ for the year ended 31 December 2021

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 2021.

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 changes 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 assets 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.

4.10 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% – 13.5% straight line
- **Office alterations** – 7.0% – 12.5% straight line
- **Furniture** – 7.0% – 17.5% straight line
- **Computers** – 17.5% – 40.0% 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.

4.11 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** – 40% straight line
- **Software** – 40% straight line
- **Trademarks** – 10% straight line

4.12 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.

4.13 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 are generally not sufficient to represent commercial return on the assets.

4.14 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.

4.15 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.

4.16 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.

4.17 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.

4.18 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

	NOTE	CONSOLIDATED		PHARMACY GUILD	
		2021	2020	2021	2020
		\$	\$	\$	\$
Advertising		–	–	–	–
Management fees		–	–	398,852	465,506
Miscellaneous income		114,740	86,557	114,740	86,557
Other subsidiary income		52,922	81,125	–	–
Pharmacode		321,090	295,337	–	–
Publications		–	–	–	–
Rendering of services		69,221	67,101	–	–
Sponsorship		233,250	305,500	233,250	305,500
Sale of goods		1,869,532	1,795,314	–	–
Subscriptions		96,751	79,734	–	–
TOTAL OTHER INCOME		2,757,506	2,710,668	746,842	857,563

6. EXPENSES

	NOTE	CONSOLIDATED		PHARMACY GUILD	
		2021	2020	2021	2020
		\$	\$	\$	\$
<i>Includes the following</i>					
Audit fees	7	15,165	14,748	7,841	7,629
Bad debts		2,484	13,764	2,135	7,702
Board fees		20,719	21,981	20,719	21,981
Board support costs		89,783	88,521	89,783	88,521
Depreciation and amortisation	12, 13	156,442	157,625	143,959	137,423
Operating leases		–	–	–	–
Staff costs		1,166,220	1,292,402	1,166,220	1,292,402

7. AUDITOR'S REMUNERATION

	CONSOLIDATED		PHARMACY GUILD	
	2021	2020	2021	2020
	\$	\$	\$	\$
<i>Amounts paid or due and payable to the auditors for:</i>				
RSM Hayes Audit				
Auditing the financial statements	15,165	14,748	7,841	7,629
TOTAL AUDITOR'S REMUNERATION	15,165	14,748	7,841	7,629

8. INCOME TAX

	CONSOLIDATED		PHARMACY GUILD	
	2021	2020	2021	2020
	\$	\$	\$	\$
Operating surplus (deficit) before taxation	395,034	424,091	83,473	140,750
Non-assessable income	(1,689,792)	(1,738,928)	(1,689,792)	(1,738,928)
Non-deductible expenses	1,609,494	1,607,418	1,609,494	1,607,418
Assessable surplus (deficit)	314,736	292,581	3,175	9,239
Tax on assessable surplus (deficit)	88,126	81,922	889	2,587
Exemption	–	(280)	–	(280)
Income tax expense / (credit)	88,126	81,642	889	2,307
<i>The income tax expense / (credit) is represented by:</i>				
CURRENT TAX				
Current tax	74,223	90,569	–	4,933
	74,223	90,569	–	4,933
DEFERRED TAX				
Origination and reversal of temporary differences	13,903	(8,926)	889	(2,626)
	13,903	(8,926)	889	(2,626)
INCOME TAX EXPENSE / (CREDIT)	88,126	81,642	889	2,307

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.

9. CASH & DEPOSITS

	CONSOLIDATED		PHARMACY GUILD	
	2021	2020	2021	2020
	\$	\$	\$	\$
Cash at bank	133,325	134,598	840,337	27,339
Short term deposits	1,390,270	776,537	19,706	506,657
	1,523,596	911,136	860,043	533,997

10. INVENTORIES

	CONSOLIDATED	CONSOLIDATED
	2021	2020
	\$	\$
Finished goods and goods for resale	47,762	334,248
	47,762	334,248

A Provision for Obsolete Stock of \$1,307. (2020: \$47,783) is maintained, being the portion not expected to sell of stock that will become obsolete.

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 2021, the relevant Accounts Payable balance of monies owed to RLL was \$27,003 including GST. This liability was paid as per the usual terms of trade by 20 January 2022.

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:

	2021 \$	2020 \$
Management Fee Charges	322,280	377,318
General Office Charges	55,872	66,588
Occupancy Charges	20,700	21,600

- b) No dividend was declared to be paid or credit to The Pharmacy Guild of New Zealand for the year ended 31 December 2021 (2020: \$Nil).
- c) As at 31 December 2021, the intercompany account balance between the Pharmacy Guild of New Zealand and Pharmaceutical Services Limited was \$73,473 (2020: \$226,183). The loan is interest free, and repayable on demand.
- d) Disclosure of Interests by Pharmaceutical Services Limited's Director

	2021 \$	2020 \$
--	------------	------------

SALE OF GOODS

Alquimia Limited*	12,086	8,124
TOTAL SALE OF GOODS	12,086	8,124

AMOUNT OWED BY OTHER RELATED PARTIES

Alquimia Limited*	2,953	1,653
TOTAL AMOUNT OWED BY OTHER RELATED PARTIES	2,953	1,653

* One of the group companys' director is also a director and a shareholder of Alquimia Limited.

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:

	2021 \$	2020 \$
Total remuneration (3.81 FTE, 2020: 4.5)	645,825	690,204

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 (2020: 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 (2020: nil).

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

The Board members remuneration is disclosed in note 21.

12. PROPERTY, PLANT AND EQUIPMENT

	LAND	BUILDINGS AND BUILDING REFURBISHMENTS	OFFICE ALTERATIONS	FURNITURE	COMPUTERS	TOTAL
CONSOLIDATED						
COST	\$	\$	\$	\$	\$	\$
Balance at 1 January 2021	165,871	2,298,397	438,506	254,020	167,544	3,324,338
Additions	–	–	8,200	1,083	2,950	12,233
Disposals	–	–	–	–	–	–
Balance at 31 December 2021	165,871	2,298,397	446,706	255,103	170,494	3,336,571
DEPRECIATION						
Balance at 1 January 2021	–	1,243,155	438,578	240,456	147,483	2,069,672
Disposals	–	–	–	–	–	–
Depreciation	–	119,033	1,231	2,172	12,382	134,819
Balance at 31 December 2021	–	1,362,188	439,809	242,628	159,865	2,204,491
CARRYING AMOUNT AT 31 DECEMBER 2020	165,871	936,209	6,897	12,475	10,629	1,132,078
COST						
Balance at 1 January 2020	165,871	2,265,565	438,506	262,150	187,650	3,319,742
Additions	–	32,832	–	–	13,024	45,856
Disposals	–	–	–	(8,130)	(33,130)	(41,260)
Balance at 31 December 2020	165,871	2,298,397	438,506	254,020	167,544	3,324,338
DEPRECIATION						
Balance at 1 January 2020	–	1,127,161	438,030	246,421	169,520	1,981,132
Disposals	–	–	–	(8,130)	(32,386)	(40,516)
Depreciation	–	115,994	548	2,165	10,349	129,056
Balance at 31 December 2020	–	1,243,155	438,578	240,456	147,483	2,069,672
CARRYING AMOUNT AT 31 DECEMBER 2020	165,871	1,055,242	(72)	13,564	20,061	1,254,665

	LAND	BUILDINGS AND BUILDING REFURBISHMENTS	OFFICE ALTERATIONS	FURNITURE	COMPUTERS	TOTAL
PHARMACY GUILD						
COST	\$	\$	\$	\$	\$	\$
Balance at 1 January 2021	245,871	2,666,469	440,823	254,020	164,614	3,771,797
Additions	–	–	8,200	1,083	2,950	12,233
Disposals	–	–	–	–	–	–
Balance at 31 December 2021	245,871	2,666,469	449,023	255,103	167,564	3,784,030
DEPRECIATION						
Balance at 1 January 2021	–	1,243,155	438,578	240,456	144,553	2,066,742
Disposals	–	–	–	–	–	–
Depreciation		119,033	1,231	2,172	12,382	134,818
Balance at 31 December 2021	–	1,362,188	439,809	242,628	156,935	2,201,560
CARRYING AMOUNT AT 31 DECEMBER 2021	245,871	1,304,281	9,214	12,475	10,629	1,582,467
COST						
Balance at 1 January 2020	245,871	2,633,637	440,823	262,150	184,720	3,767,201
Additions	–	32,832	–	–	13,024	45,856
Disposals	–	–	–	(8,130)	(33,130)	(41,260)
Balance at 31 December 2020	245,871	2,666,469	440,823	254,020	164,614	3,771,797
DEPRECIATION						
Balance at 1 January 2020	–	1,127,161	438,030	246,421	167,139	1,978,751
Disposals	–	–	–	(8,130)	(32,386)	(40,516)
Depreciation	–	115,994	548	2,165	9,800	128,508
Balance at 31 December 2020	–	1,243,155	438,578	240,456	144,553	2,066,743
CARRYING AMOUNT AT 31 DECEMBER 2020	245,871	1,423,314	2,245	13,564	20,061	1,705,053

13. INTANGIBLE ASSETS

	TRADEMARKS	SOFTWARE	WEBSITE	TOTAL
	\$	\$	\$	\$
CONSOLIDATED				
COST				
Balance at 1 January 2021	24,586	216,491	25,824	266,901
Additions – purchased	–	–	–	–
Disposals	–	–	–	–
Balance at 31 December 2021	24,586	216,491	25,824	266,900
AMORTISATION AND IMPAIRMENT				
Balance at 1 January 2021	4,066	191,963	24,536	220,565
Disposals	–	–	–	–
Amortisation	3,090	17,313	1,221	21,624
Balance at 31 December 2021	7,156	209,276	25,757	242,189
CARRYING AMOUNT AT 31 DECEMBER 2021	17,430	7,215	67	24,712
COST				
Balance at 1 January 2020	19,136	208,730	25,824	253,690
Additions	5,450	7,761	–	13,210
Disposals	–	–	–	–
Balance at 31 December 2020	24,586	216,491	25,824	266,900
AMORTISATION AND IMPAIRMENT				
Balance at 1 January 2020	1,203	171,516	19,276	191,995
Disposals	–	–	–	–
Amortisation	2,863	20,447	5,260	28,570
Balance at 31 December 2020	4,066	191,963	24,536	220,564
CARRYING AMOUNT AT 31 DECEMBER 2020	20,520	24,528	1,288	46,335

	TRADEMARKS	SOFTWARE	WEBSITE	TOTAL
	\$	\$	\$	\$
PHARMACY GUILD				
COST				
Balance at 1 January 2021	15,726	18,921	4,927	39,574
Additions – purchased	–	–	–	–
Balance at 31 December 2021	15,726	18,921	4,927	39,574
AMORTISATION AND IMPAIRMENT				
Balance at 1 January 2021	2,550	8,676	4,927	16,153
Amortisation	1,573	7,568	–	9,141
Balance at 31 December 2021	4,123	16,244	4,927	25,293
CARRYING AMOUNT AT 31 DECEMBER 2021	11,603	2,677	–	14,280
COST				
Balance at 1 January 2020	12,826	16,325	4,927	34,078
Additions	2,900	2,596	–	5,496
Disposals	–	–	–	–
Balance at 31 December 2020	15,726	18,921	4,927	39,574
AMORTISATION AND IMPAIRMENT				
Balance at 1 January 2020	1,098	1,213	4,927	7,238
Disposals	–	–	–	–
Amortisation	1,452	7,463	–	8,915
Balance at 31 December 2020	2,550	8,676	4,927	16,153
CARRYING AMOUNT AT 31 DECEMBER 2020	13,176	10,245	–	23,421

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:

	ASSETS		LIABILITIES		NET	
	2021	2020	2021	2020	2021	2020
	\$	\$	\$	\$	\$	\$
PHARMACY GUILD						
Employee benefits	(1,908)	(2,668)	–	–	(1,908)	(2,668)
Trade and other payables	(2,252)	(2,382)	–	–	(2,252)	(2,382)
Tax value of loss carry-forwards recognised	–	–	–	–	–	–
Tax (assets) / liabilities	(4,160)	(5,050)	–	–	(4,160)	(5,050)
Set off of tax						
NET TAX (ASSETS) / LIABILITIES	(4,160)	(5,050)	–	–	(4,160)	(5,050)

CONSOLIDATED

Employee benefits	(1,908)	(2,668)	–	–	(1,908)	(2,668)
Trade and other payables	(8,414)	(8,544)	–	–	(8,414)	(8,544)
Inventory obsolescence	(366)	(13,379)	–	–	(366)	(13,379)
Tax value of loss carry-forwards recognised	–	–	–	–	–	–
Tax (assets) / liabilities	(10,688)	(24,591)	–	–	(10,688)	(24,591)
Set off of tax						
NET TAX (ASSETS) / LIABILITIES	(10,688)	(24,591)	–	–	(10,688)	(24,591)

Movement in temporary differences during the year

	BALANCE 1 JANUARY 2020	RECOGNISED IN INCOME	RECOGNISED IN EQUITY	BALANCE 31 DECEMBER 2020
PHARMACY GUILD				
Employee benefits	1,430	1,238	–	2,668
Trade and other payables	994	1,388	–	2,382
	1,430	2,626	–	5,050

	BALANCE 1 JANUARY 2021	RECOGNISED IN INCOME	RECOGNISED IN EQUITY	BALANCE 31 DECEMBER 2021
PHARMACY GUILD				
Employee benefits	2,668	(760)	–	1,908
Trade and other payables	2,382	(130)	–	2,252
	5,050	(891)	–	4,160

	BALANCE 1 JANUARY 2020	RECOGNISED IN INCOME	RECOGNISED IN EQUITY	BALANCE 31 DECEMBER 2020
CONSOLIDATED				
Employee benefits	1,430	1,238	–	2,668
Trade and other payables	5,474	3,070	–	8,544
Inventory obsolescence	8,761	4,618	–	13,379
	15,665	8,926	–	24,591

	BALANCE 1 JANUARY 2021	RECOGNISED IN INCOME	RECOGNISED IN EQUITY	BALANCE 31 DECEMBER 2021
CONSOLIDATED				
Employee benefits	2,668	(760)	–	1,908
Trade and other payables	8,544	(130)	–	8,414
Inventory obsolescence	13,379	(13,013)	–	366
	24,590	(13,903)	–	10,688

15. EMPLOYEE ENTITLEMENTS

	CONSOLIDATED		PHARMACY GUILD	
	2021	2020	2021	2020
	\$	\$	\$	\$
Accrued wages	–	(4,506)	–	(4,506)
Holiday pay accrual	74,470	94,023	74,470	94,023
BALANCE AT END OF YEAR	74,470	89,517	74,470	89,517

16. LEASES

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

	CONSOLIDATED		PHARMACY GUILD	
	2021	2020	2021	2020
	\$	\$	\$	\$
Less than one year	1,830	1,830	1,830	1,830
Between one and five years	3,660	5,490	3,660	5,490
Greater than five years	–	–	–	–
	5,490	7,320	5,490	7,320

17. GIFT VOUCHERS

	CONSOLIDATED 2021 \$	CONSOLIDATED 2020 \$
Opening Balance	135,515	275,095
Additional / reduced provision	(18,685)	(93,235)
	116,830	181,860
Gift voucher write off	(42,395)	(46,345)
CLOSING BALANCE	74,435	135,515

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.

Pharmaceutical Services Limited has stopped issuing new gift vouchers in the year 2019.

18. SUBSIDIARY COMPANY

Pharmaceutical Services Limited

	2021	2020
	\$	\$
Sales	1,869,532	1,795,314
Profit before taxation	311,561	283,341
Tax expense	(74,224)	(85,636)
Profit after tax	237,336	197,705
Equity from prior year	1,001,514	803,809
Dividend paid	–	–
SHAREHOLDER EQUITY	1,238,850	1,001,514
WORKING CAPITAL		
Cash & deposits	663,553	377,139
Accounts Receivable	185,505	288,139
Inventory	47,762	334,248
Income Tax Receivable (Payable)	(9,597)	(40,383)
Investments	650,000	650,000
GST Receivable / (Payable)	(18,579)	(32,139)
Creditors	(215,792)	(462,891)
Unclaimed gift vouchers	(74,435)	(135,515)
	1,228,418	978,598
Intangibles	10,432	22,915
Property & Equipment	–	–
NET ASSETS	1,238,850	1,001,514

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 \$899,500 (2020: \$675,176)

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

Divisional fund \$645,720 (2020: \$631,287)

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:

	2021	2020
	\$	\$
Division funds – Northern	210,233	204,645
Division funds – Central	150,040	146,284
Division funds – Midland	108,837	108,193
Division funds – Canterbury	123,156	117,401
Division funds – Otago	53,454	54,765
	645,720	631,288

Pharmacy information fund \$35,217 (2020: \$35,217)

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 2021, no funds were spent. (2020: nil)

Pharmacycare sale fund \$160,253 (2020: \$160,253)

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

During 2021, no funds were spent. (2020: nil)

Pharmacy Xpo sale fund \$457,713 (2020: \$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 2021, no funds were spent. (2020: nil)

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	
	2021	2020	2021	2020
	\$	\$	\$	\$
FINANCIAL ASSETS				
Loans and receivables				
Cash and deposits	1,523,596	911,136	860,043	533,997
Short term investments	2,250,000	2,250,000	1,600,000	1,600,000
Receivables from exchange transactions	323,327	421,245	141,331	137,786
	4,096,922	3,582,380	2,601,373	2,271,782
FINANCIAL LIABILITIES				
At amortised cost				
Trade and other creditors	213,162	368,126	75,334	104,251
Employee entitlements	74,470	89,517	74,470	89,517
Provision for tax	12,222	52,742	2,626	12,359
	299,854	510,385	152,429	206,128

21. BOARD REMUNERATIONS

		REMUNERATION (HONORARIUMS / FEES / LOCUMS)	
		2021	2020
		\$	\$
K Maxwell	Board Member (November 2014 – June 2020)	–	740
A Roberts **	Board Member (from June 2014), PSL Director (from June 2016), Vice President (from September 2021)	6,602	2,202
C Monteith **	Board Member (from June 2015), Vice President from June 2016, President (from June 2019 – August 2021)	23,333	35,800
J Wright **	Board Member (to June 2020), PSL Director (to June 2020)	–	375
C Keenan	Board Member (June 2016 – September 2021), Vice President (June 2019 – August 2021)	3,943	3,020
S Heswall	Board Member (from June 2017)	3,450	3,000
D Bailey	Board Member (from June 2017), President (from September 2021)	16,274	2,666
J Westbury	Board member (from June 2019)	–	1,134
S Wu	Board Member (from June 2018)	4,476	2,029
S Yoo	Board Member (from June 2020)	4,450	2,055
G Perry	Board Member (August 2020 to September 2021), PSL Director (August 2020 to September 2021)	5,665	3,163
		68,193	53,021

**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	
	2021	2020	2021	2020
	\$	\$	\$	\$
Reconciliation of net profit (loss) to net cash from operating activities				
Net profit / (loss)	306,907	342,449	82,584	138,443
Non-cash flows in operating profit:				
Depreciation	156,442	157,625	143,959	137,423
Gain on disposal of assets	–	–	–	–
Movement in income taxes payable	(40,520)	(3,201)	(9,734)	(13,359)
Movement in deferred taxes	13,903	(8,926)	889	(2,626)
Changes in assets and liabilities:				
(Increase) / Decrease in trade debtors, receivables and accrued income	65,475	92,879	(37,158)	131,194
(Increase) / Decrease in goods and services tax	(11,866)	26,396	1,694	8,006
(Increase) / Decrease in stock	286,485	111,191	–	6,312
(Increase) / Decrease in interentity current accounts	–	–	152,710	60,605
Increase / (Decrease) in payables and provisions	(91,054)	(22,298)	3,334	(56,169)
Increase / (Decrease) in gift vouchers	(61,080)	(139,580)	–	–
NET CASH PROVIDED BY OPERATING ACTIVITIES	624,691	556,538	338,280	409,830

23. COMMITMENTS

Capital commitments

Neither the Group or the Parent had any capital commitments as at 31 December 2021 (2020: nil)

Operating lease commitments

The parent, and therefore Group, have an operating lease commitment of \$5,490 as at 31 December 2021 (2020: \$7,320)

Finance lease commitments

Neither the Group or the Parent had any finance lease commitments as at 31 December 2021 (2020: nil)

24. CONTINGENCIES

The Company and Group have no contingent liabilities or contingent assets at reporting date. (2020: 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 James Cook Grand Chancellor, Wellington

Tuesday 15 June 2021

ATTENDEES

Cameron Monteith	Shane Heswall	Naomi Lee	Andrew Gaudin
Catherine Keenan	Stephen Yoo	Ryan Smith	Emma Houltham
Anthony Roberts	Gemma Perry	Angela Liu	Rhiannon Braund
Des Bailey	Graeme Blanchard	Leanne Liu	Shelley Lancaster
James Westbury	Viv Barham	Kathryn Tyler	

Proxies

A proxy was received from Glenn Mills, Green Cross Health Partnership Stores.

Quorum

A quorum of a minimum of 20 members was achieved.

1. WELCOME

Guild President Cameron Monteith welcomed everyone to the 2021 AGM and thanked them for their attendance. Cameron welcomed Rhiannon Braund as an observer and also noted that it was wonderful to have the next generation of young pharmacists attend.

Cameron called for items of general business. There were no items of general business.

2. APOLOGIES

Kathy Maxwell	Saji Nair	Glenn Mills	Shun Wu	Linda Joe
---------------	-----------	-------------	---------	-----------

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 2020 annual general meeting were taken as read.

That the minutes of the annual general meeting held on 16 June 2020 be accepted as a true and correct record of the meeting.

James Westbury / Anthony Roberts
CARRIED

5. MATTERS ARISING

Cameron Monteith called for matters arising that were not covered elsewhere on the agenda. There were no matters arising.

Catherine Keenan / Des Bailey
CARRIED

6. PRESIDENT'S ADDRESS

The President spoke to his written report.

That the President's report be accepted.

Catherine Keenan / Des Bailey
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 2020 be accepted.

James Westbury / Stephen Loo
CARRIED

8. APPOINTMENT OF AUDITORS

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

James Westbury / Catherine Keenan
CARRIED

9. SETTING OF GUILD FEES FOR THE COMING YEAR

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

Graeme Blanchard / Viv Barham
CARRIED

10. APPOINTMENT OF REPRESENTATIVES

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

- Northern Electorate: Shane Heswall and Stephen Yoo
- Midland Electorate: Cameron Monteith and Catherine Keenan
- Central Electorate: Anthony Roberts and James Westbury
- Southern Electorate: Des Bailey and Shun-Yu Wu.

The appointments of Glenn Mills and Gemma Perry as co-opted Board members is noted as ongoing. Rhiannon Braund continues on the Board as a non-voting reciprocal Board member with the Pharmaceutical Society.

James Westbury / Shane Heswall
CARRIED

11. ELECTION OF PRESIDENT AND VICE PRESIDENT

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

12. GENERAL BUSINESS

There were no items of general business raised.

13. CLOSE OF MEETING

Cameron thanked the Board again for their support and leadership. The meeting concluded at 7.22pm.

Confirmed as true and correct:



Cameron Monteith
PRESIDENT

Pharmacy Guild Of New Zealand (Inc)

Pharmacy House, 124 Dixon Street, Te Aro, Wellington 6011

PO Box 27139, Marion Square, Wellington 6141

Ph 04 802 8200 Fax 04 384 8085 www.pgnz.org.nz