

2021 Annual Report



Disclaimer

The directors and employees of Bendigo United Friendly Societies Pharmacies Limited accept no liability whatsoever for any injury, loss, claim, damage, incidental or consequential damage, arising out of, or in any way connected with, the use of any information, or any error, omission or defect in the information, contained in this publication. Whilst every case has been taken in the preparation of this publication, Bendigo United Friendly Societies Pharmacies Ltd accepts no liability for the accuracy of the information supplied.

Bendigo United Friendly Societies Pharmacies Ltd

ABN 51 087 822 268

Registered Office: Suite 2, 379 Hargreaves Street,
Bendigo, Victoria 3550

Chair: Ms Nicole Cox

Secretary: Ms Nina Aubin (Resigned 26th May 2021) and
Mr Michael Fleming

Telephone: (03) 5441 5590

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Chair and Chief Executive Officer's

Despite the global pandemic, the last 12 months has been extremely successful for UFS Pharmacies with many achievements and a solid financial performance. UFS Pharmacies continues to play a vital role in the community by not only delivering key products and services directly but by forming relationships with other organisations as well.

UFS Pharmacies has continued to operate throughout the pandemic as an essential service managing to adapt to the changing environment by expanding our delivery service, promoting the drive through facility at View Street, and utilising the electronic script ordering service via MedAdvisor amongst other important initiatives to support the Bendigo community. One of these most important initiatives has been the expansion of health services by introducing Nurses to the pharmacy team. Nurses offer a wider scope of practice enabling a broader range of services that can be delivered across the pharmacy network.

Our performance

Financially, UFS Pharmacies has continued to experience positive growth with revenue reaching \$22.5m, a 4.91% increase from the previous financial year and a net surplus in excess of \$1m. This has enabled the business to eliminate the long term debt facilities which now provides opportunities for reinvestment and the ability to be able to improve and expand the range of benefits available to both members and the community.

These results were even more remarkable given that both Eden Skin & Body, and UFS optical were impacted significantly by ongoing restrictions throughout most the COVID-19 pandemic period of including closures for a total of nine weeks and two weeks respectively as a result of lockdowns.

Strategic direction

Looking forward, a new strategic plan has been developed by the Board in consultation with key personnel within the business for the 2021 – 2024. The new strategic plan will see the organisation aligning to four strategic pillars:

1. Deliver future success through innovative design and accountable leadership.
2. Invest well in people and our core purpose.
3. Promote a culture of inclusion, service and respect.
4. Partner with intent for better health and wellbeing.

The initial steps in our new strategic plan are designed to build a foundation to support the business move toward these pillars. Essentially this means building an organisational structure and set of systems that can support the business units evolution to an increasing focus on health and wellbeing. The second stage will focus on building the customer service model to deliver the vision. The Board is excited about the new plan and the opportunities it presents to innovate and grow our organisation in coming decades.

Community and Diversity

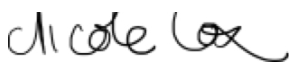
As a not for profit organisation established in 1872, community is at our core the reason we exist. We see a diverse, inclusive and welcoming community essential to the future, and the organisation has an important role to play to provide access to vital medications, advice and health services to all people of the community. The Board see this as a priority and have recently created a Diversity Statement of Intent to set the tone and foundation for our organisation. The Executive team are now empowered to bring this statement to reality throughout UFS Pharmacies.

We have recently revamped our Building a Healthier Community Program which has been an important support program contributing over \$894,000 to a wide range of organisations and groups throughout Bendigo over the past 16 years. The new program has been designed is to provide more meaningful and effective support to projects that focus on key areas which is outlined on pages 10, 11 & 12 of this report.

People

People are the strength of our organisation and, the Board and Executive team both acknowledge and applaud the efforts of ALL employees who have worked tirelessly throughout the COVID-19 pandemic, under extremely difficult circumstances.

On behalf of the Board and Executive teams we would also like to thank the UFS Pharmacies members and customers for their ongoing support of the organisation – without you, we would not be gearing up to celebrate 150 years. We look forward to the year ahead and recognising a remarkable achievement for the organisation.



Nicole Cox
Chair



Michael Fleming
Chief Executive Officer





our team

Our Executive



Our Business Unit Leadership



Kirriliee Miller

View Street

**Pharmacy
Manager**

Amy Waldron

Hargreaves Street

**Pharmacy
Manager**

Alison Musk

Bridge Street

**Pharmacy
Manager**

Jordy Stanyer

Strathfieldsaye

**Pharmacy
Manager**

Jaclyn McAleice

Maiden Gully

**Pharmacy
Manager**



Chris Moyle

Manager



Kirsty Magee

Manager



who we are

About us

Guided by our values trust, respect and caring, we strive to support over 11,000 local household members and customers to improve their health and wellbeing.

UFS Pharmacies was founded in the Central Victorian gold rush in 1872 as a not-for-profit friendly society. The group now has five pharmacies (including the only 24 hr and drive thru facility in regional Victoria), an optical store, and a day spa in the Bendigo region. We collaborate with fellow health providers and community organisations to support meaningful and effective investment in health and wellbeing initiatives across the Greater Bendigo region.

Our commitment to diversity

The Board of Bendigo UFS Pharmacies Ltd is committed to a diverse, equitable and inclusive culture which embraces all people irrespective of race, gender, disability, sexual orientation or other bias.

As a Board we are committed to creating a culture which is non-discriminatory and provides equal opportunities for employment, volunteering, and advancement in all areas of our organisation.

The Board is committed to modelling diversity, inclusion, equity and maintaining fair and equal treatment for all in the services we provide.

The Board respect the value that diverse life experiences bring to our organisation. We strive to listen to the views of our members, employees and volunteers, to create value and inclusion.

Our Purpose

We improve the health and wellbeing of our community.

Our Vision

Our community's health and wellbeing destination.

Our Values

- Respectful
- Caring
- Trustworthy



highlights

657

New optical patients

119

Employees

2526

Influenza vaccinations

2485

MedAdvisor app users

\$100,000

Community investment

1.1%

Prescription growth

19,911

Website unique views

327,214

Pharmacy customers

2761

Optical appointments

32%

Eden Skin & Body appointments made online

Seven

COVID-19 required lockdowns and forced closure on UFS Optical and Eden Skin & Body.

highlights

Professional Services Area

Prescription Advice





community

As a not-for-profit community owned organisation, we believe supporting our community is an important part of what we do, and the Building a Healthier Community Program delivers on this purpose by providing invaluable funds to the community, into areas that need it most.

Redesigning our community support

You heard in last year’s Annual Report about a reinvigorated Building a Healthier Community Program which has contributed \$895,000 to a wide range of groups over past 16 years. Due to the ongoing COVID-19 pandemic the launch was postponed until August 2021. The new program has been developed after consultation with a range of stakeholders across the community and has been focussed on a range of specific areas with the objective to make more effective investment in health initiatives that have a meaningful impact for people in our community. The key areas of need within our community that have been identified are:

Childhood Health + Wellbeing Grant

A child’s early years are precious, they are the time the foundations for positive health and wellbeing are made.

Mental Health + Wellbeing Grant

As 1 in 5 individuals in Greater Bendigo experience times of mental health issues and it has been compounded with recent challenges.

Local Community Grant

To genuinely support the health and wellbeing of our community which can include health awareness programs, infrastructure enhancement and initiatives to support health and wellness of your members and wider community to name a few.



Community members will be able to apply for these grants online during designated periods throughout the year. We also still offer our fundraising support which is also available online via our website.

We take this opportunity to thank each and every school, club and other group that has been part of the program and we look forward to their participation in the new program.

New partnership

Bendigo Foodshare has been a beneficiary of the Building a Healthier Community Program for a number of years and we sought to extend this relationship due to the valuable work Bendigo Foodshare does particularly recently as people cope with the pandemic and its impact. We are excited to join with Bendigo Foodshare in a two year partnership to support the Grow a Row, Pick a Branch project. We look forward to working with Bendigo Foodshare over next two years to support their valuable services.



Beneficiaries of community investment in FY 21

The existing "Building a Healthier Community" Program was established in 2004 and has been distributing funds and in-kind support to a vast range of initiatives centred on a health and wellbeing theme. We have contributed \$894,000 in valuable funding to many organisations.

We take this opportunity to thank each and every school and club that has been part of the program and we look forward to their participation in the redesigned program.

Schools Partnership Program

Axedale Primary School
Bendigo (Violet Street) Primary School
Bendigo Senior Secondary College
Bendigo South East Secondary College
Bendigo Special Developmental School
Camp Hill Primary School
Catherine McAuley College Bendigo
Creek Street Christian College
Crusoe Secondary College
Dr Harry Little Memorial Pre School
Eppalock Primary School
Golden Square Kindergarten
Holy Rosary Catholic Primary School
Huntly Primary School
Kalianna Special School
Kennington Primary School
Lightning Reef Primary School
Lockwood Primary School
Lockwood South Primary School
Maiden Gully Primary School
Marist College – Maiden Gully
Marong Early Learning Centre
Marong Primary School
North Bendigo Pre School
Quarry Hill Primary School
Specimen Hill Primary School
Spring Gully Primary School
St Francis of the Fields Primary
St Joseph's Primary School
St Kilian's Primary School
St Liborius Primary School
St Peter's Primary School
St Therese's Primary School
Strathfieldsaye Pre School
Strathfieldsaye Primary School
Weeroona College Bendigo

Clubs Sponsorship Program

Atisha Buddhist Centre
Bears Lagoon Serpentine Football Netball Club
Bendigo & District Concert Band
Bendigo Amateur Radio & Electronics Club Inc.
Bendigo Animal Welfare & Community Services
Bendigo Association of Pharmacy Students
Bendigo Autism Asperger Group
Bendigo Breast Cancer Support Services Network
Bendigo Chinese Cultural Community
Bendigo Community Toy Library
Bendigo East Baseball Club
Bendigo Foodshare
Bendigo Scleroderma Support Group
Bendigo Senjuns Hockey Club
Bendigo Squash Club
Bendigo Youth Choir
Bendigo Symphony Orchestra
Bendigo Volunteer Resource Centre
Blue Ribbon Foundation
Campbell's Forest Hall
Dragon City Derby Dolls
Dragons Abreast Bendigo
Golden City Football Club
Golden Square Bowling Club
Golden Square Football & Netball Club
Golden Square Football & Netball Club Juniors
Golden Square Swimming Pool
Greater Bendigo Girl Guides
Heartbeat Victoria - Bendigo Branch
Interchange - Loddon Mallee Region
Junortoun Fire Brigade
Lions Club of Strathfieldsaye
Maiden Gully Fire Brigade
Maiden Gully Junior Football Club
Maiden Gully Neighbourhood Watch
Marong Cricket Club
Marong Fire Brigade
Marong Football & Netball Club
Mount Pleasant Football Netball
National Seniors Bendigo & District
Righteous Pups Australia
Sing Australia Bendigo
Scleroderma Support Group (Bendigo)
South Bendigo Football & Netball
St Luke's Anglicare
State Emergency Service Bendigo
Strathfieldsaye Bowls Club
Strathfieldsaye Dodgers Baseball
Strathfieldsaye Jets Cricket Club
Strathfieldsaye Junior Football Club
Strathfieldsaye Junior Netball Club
The Otis Foundation
Wildlife Rescue & Information
Zodiacs Netball Club
Zonta Club of Bendigo

Building a Healthier Community

Reviewing how we invest in the community

Creating and supporting community engagement is pivotal to who we are in the community and our purpose. At UFS Pharmacies we believe community engagement takes place in many ways but we commit to providing community health and wellbeing outcomes.

community engagement

The pillars grow mutually beneficial engagement with the community



partnerships (& sponsorships)

Partnerships are built with long term strategic views and mutual outcomes for all parties involved.



grants

Grants are the vehicle to directly big impact in target areas of the community.

Healthier Community Grants

Local Community Grants



fundraiser support

Adhoc community donations to enable organisation based fundraising activities.

Quality and Safety

A quality and safety culture in our business ensures we are delivering the best outcomes to our customers and members. We strive to be personal, integrated, safe and right. These pillars guide decision making whether it be a 'daily on the spot' or of a longterm strategic nature.





Take
your e



UFS

2021 Performance Summary

	2021	2020
	\$	\$
Total Revenue	22,499,794	21,455,741
Cost of Goods Sold	14,273,314	13,330,298
Percentage of Revenue	63.44%	62.16%
Salaries & Employee Benefit expenses	5,542,612	5,294,911
Percentage of Revenue	24.63 %	24.69 %
Total Other Expenses	1,594,276	1,748,341
Percentage of Revenue	7.09 %	8.15 %
Profit/(Loss) Before Income Tax Expense	1,089,592	1,072,191
Percentage of Revenue	4.84 %	5.00 %
Profit/(Loss) After Income Tax Expense	1,089,592	1,072,191
Percentage of Revenue	4.84 %	5.00 %

Balance Sheet Summary	2021	2020
	\$	\$
Total Current Assets	2,814,449	2,806,528
Total Non Current Assets	9,558,279	10,104,941
Total Assets	12,372,728	12,911,469
Total Current Liabilities	3,138,820	3,061,448
Total Non Current Liabilities	2,544,679	4,250,384
Total Liabilities	5,683,499	7,311,832
Net Assets	6,689,229	5,599,637
Total Members Funds	6,689,229	5,599,637

Performance Statistics	2021	2020
Return on Total Assets after Tax	8.81 %	8.30 %
Current Ratio	0.90	0.92
Inventory Turnover	10.41	8.48
Return on Equity	16.29 %	19.15 %



directors' report

The names and details of the company's directors who held office during or since the end of the financial year:

Nicole Cox

Chair
BBus(Accounting), CPA, GAICD

Nicole is a Director of many companies including her own business consultancy firm, Segue Business Solutions. She is also Managing Director of Swimz Bendigo, a learn to swim facility in Bendigo East. With more than 20 years experience in business, management and finance, and having held various executive positions across a broad spectrum of industries, Nicole is also a graduate of the Australian Institute of Company Directors, and has held numerous Board positions including Peter Harcourt, St Luke's Anglicare, St Laurence CRT and Bendigo Basketball Association. Nicole is currently Chair of the Audit and Risk Advisory Committee for the Mount Alexander Shire. Nicole is a member of the People and Nominations Committee and Clinical Governance Committee.



Chris DeAraugo

Director
Grad Dip Bus

Chris has over 25 years banking experience at executive and senior management level with Bendigo Bank, specialising in marketing and community development. He was also the founding CEO of the national youth development program Lead On Australia. He has broad

governance experience as a member of many business and community focused boards and committees. He is currently working as a business consultant across a range of industries including water authorities, sporting and event organisations, local Government and banking. Chris is Chair of the Member and Community Committee and a member of the People and Nominations Committee.



Stephen Iser

Director

Stephen is the Managing Director and Board Member (4th generation) of the family business Hume and Iser Pty Ltd (Est. 1880). He has almost 50 years of experience in the retail and trade industry, commencing his career in the family business in 1972. Stephen has been a member of the National Trade and Retail Advisory Committee with the HoME Group for over 20 years and also now joined with the recently merged HoME/Mitre 10 Group. Stephen was a Board and Finance Committee member of The Sandhurst Club (retired 13 years) and recently retired from the Board of the Timber Merchants Association (TMA) of Victoria (5 years). He has been a supporter and volunteer in fundraising for Radius Disability Services, St Lukes Anglicare and 2015/16 fundraising for Very Special Kids (VSK). Stephen is a member of the Finance and Audit Committee and the Member and Community Committee.



Peter Leersen

Director
CPA, M(Accounting), BBus, GAICD

Peter was appointed as Chief Financial Officer of the Portable Long Service Leave Authority in April 2019 after eleven years as the General Manager, Finance and Pricing for Coliban Water. Peter has a background in business management and accounting and has extensive experience in leadership roles. Peter was the Corporate Services Manager of the North Central Catchment Management Authority and the Mallee Catchment Management Authority from 2001 to 2008. Prior to that Peter held management positions with Twin Water Resort, Hamilton Island and Ayers Rock Resort over a ten year period. Peter is a CPA, holds a Masters in Accounting and a Bachelor of Business. Peter is Chair of the Finance and Audit Committee and a member of the Quality, Safety and Risk Committee.



Paul Kirkpatrick

Deputy Chair
JP, MBA, GAICD, BHA, BAppSc, FCHSE

Paul completed a career in CEO and senior management roles in health and human services organisations before commencing in director roles in a diverse range of companies. Paul has extensive experience as a director of companies ranging from post-graduate medical education, community energy and consulting. As a Justice of the Peace, and through involvement in Rotary and the Bendigo Volunteer Resource Centre, Paul also has wide interest and involvement in community service and community development both locally and overseas. Paul is also a member of the Community Advisory Committee of the Board of Ambulance Victoria. Paul is Chair of the People and Nominations Committee and a member of the Quality, Safety and Risk Committee.



Andrew Trewartha

Director
BA(Computing)

Andrew has more than 30 years of experience in Information Technology and is currently working on a variety of software projects for organisations located all over Australia. Throughout his career Andrew has provided software solutions to a variety of industries, ranging from retail and manufacturing to medical and genetic sciences. His focus has largely been software development, encompassing planning and design through to implementation and support. Andrew is a member of the Finance and Audit Committee and Opportunity and Risk Committee. He is also working closely with management as part of the newly created UFS Technology Working Party.



Sue Clarke

Director
FAICD, ANZSoG Fellow, Grad Dip (Business), Grad Dip (Social Science CD)

Sue has held senior positions in health and community services for over 40 years including community health, local government, state government and the private sector. Sue's experience extends across primary healthcare, philanthropy, governance and community engagement. She has a strong interest and experience in clinical governance and consumer and community engagement. Sue has previously held Board Director positions with Bendigo Health, Murray PHN, Ambulance Victoria, and was the Chair of Loddon Mallee Housing t/as Haven; Home Safe, and Patron of the Community Foundation for Bendigo and Central Victoria. She is currently a Board Director with Bendigo Foodshare. Sue joined the Board of Bendigo United Friendly Societies Pharmacies Ltd in July 2019 and Central Victorian United Friendly Society Limited in September 2019 and is the Chair of the Quality, Safety and Risk Committee and a member of the Member and Community Committee.



Directors were in office for this entire year unless otherwise stated.

No Directors have material interests in contracts or proposed contracts with the company.



Company Secretary

Nina Aubin was appointed as joint Company Secretary on 27th March 2019. Nina holds a Diploma in Business Administration and Certificate in Governance Practice from the Governance Institute of Australia. Nina has extensive Board and executive level administration experience in the GP training sector and was appointed as contract Company Secretary for Bendigo Community Health Services in July 2020. Nina is also President of the Board of Directors for YWCA Hunter Region Inc, a volunteer role which provides a holistic perspective of organisational Board governance and enhances her governance experience in the not-for-profit sector. Nina resigned effective the 26th May 2021.

The joint company secretary is Michael Fleming BBus(Accounting) GAICD. Appointed to the position of secretary in April 2005. He holds a Bachelor of Business (Accounting and Data Processing) from La Trobe University obtained in 1992. Michael previously worked for Beck Legal from 1993 to 2005 as the Practice Manager before joining Bendigo UFS Pharmacies Ltd as the Chief Executive Officer in April 2005 which is associated with Central Victorian UFS Ltd and provides all retail, staff and other services to the entity.

OBJECTIVE

Bendigo United Friendly Societies Pharmacies Ltd seeks to improve the health and wellbeing of our community by providing health and wellbeing, products and services throughout its network of businesses across the Greater Bendigo region.

STRATEGY FOR ACHIEVING THE OBJECTIVE

The company delivers on its objective by utilising well trained knowledgeable people to nurture long term relationships with our customers through honest and positive communication. We seek to continuously evolve our professional services to support better health outcomes for customers and the broader community.

PERFORMANCE MEASURES

The company measures its performance in terms of the benefits it provides to its members and the community. These benefits are measured in both volume and value. Key performance indicators include sales and member growth, the number of prescriptions or alternative volume measures depending on the business, and the number of customers served through our various outlets. The company uses other financial measures to monitor ongoing sustainability of the overall business.

PRINCIPAL ACTIVITIES

The principal activities of the society during the course of the financial year were to provide pharmaceutical goods and a range of health related services to both members and non-members.

OPERATING RESULTS AND REVIEW OF OPERATIONS

Operations have continued to perform in line with expectations with continued growth across most businesses leading to increased profitability. The profit of the company for the financial year after provision for income tax was:

Year Ended 30 June 2021	Year Ended 30 June 2020
\$	\$
1,089,592	1,072,191

DIVIDENDS

The company's constitution precludes the payment of dividends.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

The spread of COVID-19 has severely impacted many local economies around the globe. In many countries, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. The company's financial position remains sound due to our core pharmacy business being an essential service although it has been impacted by reduced foot traffic in-store and additional costs associated with providing services in the current environment. The Company has determined that these events have not required any specific adjustments within the financial report.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as any impact on the financial position and results of the Company for future periods.

ENVIRONMENTAL REGULATION

The company is not subject to any significant environmental regulation.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The company has indemnified its Officers and Directors in relation to any liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of officer or director of the company, other than involving wilful breach of duty in relation to the company.

The company has not provided any indemnities or paid insurance, during or since the end of the financial year for the auditor of the company or a related body corporate.



DIRECTORS MEETINGS

The number of Board meetings attended by each of the Directors of the company during the year were:

	Number of Board Meetings eligible to attend	Number attended
Ms Nicole Cox	14	14
Mr Chris DeAraugo	14	13
Mr Stephen Iser	14	14
Mr Paul Kirkpatrick	14	14
Mr Peter Leersen	14	12
Mr Andrew Trewartha	14	14
Ms Sue Clarke	14	14

The number of Finance and Audit Committee meetings attended by each of the Directors of the company during the year were:

	Number of Finance Committee Meetings eligible to attend	Number attended
Mr Stephen Iser	5	5
Mr Peter Leersen	5	5
Mr Andrew Trewartha	5	5

Auditors Independence Declaration

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 22.

Signed in accordance with a resolution of the Board of Directors at Suite 2, 379 Hargreaves Street, Bendigo on 2 November 2021.



Ms Nicole Cox
Chair

Mr Paul Kirkpatrick
Deputy Chair



Auditors Independence Declaration



41A Breen Street
Bendigo, Victoria
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Auditors Independence Declaration under section 307C of the *Corporations Act 2001* to the Directors of Bendigo United Friendly Societies Pharmacies Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2021 there have been no contraventions of:

- (i) The auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) Any applicable code of professional conduct in relation to the audit.

RSD Audit

A handwritten signature in black ink, appearing to read 'P. P. Delahunty', is written over a light blue circular background.

P. P. Delahunty
Partner
41A Breen Street
Bendigo VIC 3550
Dated: 2 November 2021



Richmond Sinnott & Delahunty, trading as RSD Audit
ABN 85 619 186 908
Liability limited by a scheme approved under Professional Standards Legislation



Bendigo United Friendly Societies Pharmacies Ltd

Statement of Profit or Loss and Other Comprehensive Income for the year ended 30th June 2021

		2021	2020
	Notes	\$	\$
Revenue	2	22,499,794	21,455,741
Cost of Goods Sold	3	(14,273,314)	(13,330,298)
Salaries & Employee Benefits Expense		(5,542,612)	(5,294,911)
Occupancy and Associated Costs		(90,154)	(108,578)
Depreciation and Amortisation Expense	3	(661,551)	(627,091)
Borrowing Costs	3	(151,169)	(179,731)
General Administration Expenses		(691,402)	(832,941)
NET PROFIT BEFORE INCOME TAX		1,089,592	1,072,191
Income Tax	4	-	-
NET PROFIT AFTER INCOME TAX		1,089,592	1,072,191
TOTAL COMPREHENSIVE PROFIT		1,089,592	1,072,191

The above statement should be read in conjunction with the accompanying notes.

Bendigo United Friendly Societies Pharmacies Ltd

Balance Sheet as at 30 June 2021

		2021	2020
	Notes	\$	\$
CURRENT ASSETS			
Cash Assets	5	682,538	222,446
Trade and Other Receivables	6	553,831	773,500
Inventories	7	1,578,080	1,810,582
TOTAL CURRENT ASSETS		2,814,449	2,806,528
NON CURRENT ASSETS			
Property, Plant & Equipment	8	5,292,137	5,827,482
Intangibles	9	4,266,142	4,277,459
TOTAL NON CURRENT ASSETS		9,558,279	10,104,941
TOTAL ASSETS		12,372,728	12,911,469
CURRENT LIABILITIES			
Trade and Other Payables	10	2,016,544	1,810,015
Borrowings	11	365,444	539,801
Provisions	12	756,832	711,632
TOTAL CURRENT LIABILITIES		3,138,820	3,061,448
NON CURRENT LIABILITIES			
Borrowings	11	2,426,342	4,166,751
Provisions	12	81,337	83,633
TOTAL NON CURRENT LIABILITIES		2,544,679	4,250,384
TOTAL LIABILITIES		5,683,499	7,311,832
NET ASSETS		6,689,229	5,599,637
MEMBERS FUNDS			
Retained Earnings	13	6,689,229	5,599,637
TOTAL MEMBERS FUNDS		6,689,229	5,599,637

The above statement should be read in conjunction with the accompanying notes.

Bendigo United Friendly Societies Pharmacies Ltd

Statement of Changes in Equity for the year ended 30th June 2021

2020	Retained Earnings	Total
	\$	\$
Balance at 1st July 2019	4,527,446	4,527,446
Total Comprehensive Income for the year	1,072,191	1,072,191
	1,072,191	1,072,191
Balance at 30th June 2020	5,599,637	5,599,637
2021	Retained Earnings	Total
	\$	\$
Balance at 1st July 2020	5,599,637	5,599,637
Total Comprehensive Income for the year	1,089,592	1,089,592
	1,089,592	1,089,592
Balance at 30th June 2021	6,689,229	6,689,229

The above statement should be read in conjunction with the accompanying notes.



Bendigo United Friendly Societies Pharmacies Ltd

Statement of Cashflows for the year ended 30th June 2021

		2021	2020
	Notes	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers		23,891,537	22,821,013
Cash paid to suppliers and employees		(21,628,465)	(21,290,437)
Interest received		-	1,648
Interest paid		(71,019)	(93,352)
Net cash provided by from operating activities	14	2,192,054	1,438,872
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase for property, plant & equipment		(68,216)	(723,187)
Purchase of intangibles		-	(4,686)
Net cash used in investing activities		(68,216)	(727,872)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net repayment of borrowings		(1,663,746)	(1,407,985)
Net receipt of borrowings		-	500,000
Net cash provided by/(used in) financing activities		(1,663,746)	(907,985)
Net increase in cash held		460,092	(196,985)
Cash at the beginning of the financial year		222,446	(419,431)
Cash at the end of the financial year	14	682,538	222,446

The above statement should be read in conjunction with the accompanying notes.



Bendigo United Friendly Societies Pharmacies Ltd

Notes to the Financial Statements for the year ended 30th June 2021

1. Statement of Accounting Policies

The financial report covers the economic entity of Bendigo United Friendly Societies Pharmacies Ltd as an individual economic entity. Bendigo United Friendly Societies Pharmacies Ltd is a company limited by guarantee, incorporated and domiciled in Australia.

BASIS OF PREPARATION

Statement of compliance

The special purpose financial report has been prepared in accordance with the recognition and measurement aspects of applicable Australian Accounting Standards (including the Australian Accounting Interpretations) as detailed below and to meet the requirements of the Corporations Act 2001. The requirements of the Australian Accounting Standards do not have mandatory application to the company in relation to the year ended 30 June 2021 as it is a not for profit, non-reporting entity.

In order for the financial report to present fairly the company's financial performance and financial position the special purpose report has been prepared using the following standards as a minimum:

AASB 9 Financial Instruments

AASB 101 Presentation of Financial Statements

AASB 107 Statement of Cash Flows

AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors

AASB 1031 Materiality

AASB 1048 Interpretation and Application of Standards

AASB 1054 Australian Additional Disclosures

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise. The amounts presented in the financial statements have been rounded to the nearest dollar.

Coronavirus (COVID-19) pandemic and the impact on the financial statements

The COVID-19 global health pandemic has resulted in a number of directions from Government that have had some impact on the company. Specifically, these have included work from home orders, restricting customers numbers in-store and in some cases closure of business units that are not classified essential services. The company has been able to adapt to these directions and enacted its Business Continuity Plans successfully.

With the assistance of suppliers and customers, delivery of services impacted by restrictions has been maintained within the parameters of the directions and our workforce has adopted safe working approaches to ensure continuity of all essential services and obligations. At this time, management assesses there is no material impact to key assumptions as a result of COVID-19.

(a) Revenue

The core principle of AASB 15 Revenue from Contracts with Customers is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred.

Generally the timing of the receipt of payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

All revenue is stated net of the amount of Goods and Services Tax (GST). The gain or loss on disposal of property, plant and equipment is recognised on a net basis and is classified as income rather than revenue.

(b) Membership Revenue

Consistent with the policy introduced in the 2003/2004 financial year membership revenues have been accounted for on a prepaid basis as opposed to at the time of receipt. The company offers members alternative membership options ranging from one year to five years and therefore the outstanding balance on memberships as at the end of the financial year is recognised as prepaid revenue.

(c) Taxation

Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax

Deferred tax is accounted for using the comprehensive balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities reflects the tax consequences that would follow from the manner in which the consolidated entity expects, at the reporting date,

to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the company/consolidated entity intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in the income statement, except when it relates to items credited or debited to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from initial accounting for a business combination, in which case it is taken into account in the determination of goodwill.

(d) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet. Cash flows are included in the statement of cash flows on a gross basis.

The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(e) Members' Guarantee

The company is limited by guarantee. If the company is wound up, the Constitution states that each member would be required to pay \$0.50. The number of members at 30 June 2021 was 10,654 (2020: 10,558).

(f) Cash

For the purposes of the statement of cash flows, cash includes cash on hand and in banks, net of outstanding bank overdrafts. The company has not used any of its overdraft facility at 30 June 2021 (2020:Nil).

(g) Comparative figures

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

(h) Inventories

Inventories are valued at the lower of average cost or net realisable value. Cost is based on the first in first out principle and includes expenditure incurred in acquiring the inventories and bringing them to their present condition and location. Net realisable value is determined on the basis of the normal sales pattern.

(i) Intangibles

Goodwill

Goodwill is initially recorded at the amount by which the purchase price for a business exceeds the fair value attributed to its net assets at the date of acquisition. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses.

(j) Property, plant and equipment

Plant and equipment, leasehold improvements and equipment under lease are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In

the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is provided on property, plant and equipment, including freehold buildings and right of use assets but excluding land. Depreciation is calculated on a straight line basis so as to write off the net cost of each asset over its expected useful life to its estimated residual value. Leasehold improvements are depreciated at the rate equivalent to the available building allowance using the straight line method. The estimated useful lives, residual values and depreciation method is reviewed at the end of each annual reporting period.

The following estimated useful lives are used in the calculation of depreciation:

- | | |
|----------------------------------|----------------|
| • leasehold improvements | 5 - 40 years |
| • plant and equipment | 2.5 - 40 years |
| • furniture and fittings | 4 - 40 years |
| • right of use assets - property | 3 - 10 years |

(k) Impairment of assets

At each reporting date, the entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the consolidated entity estimates the recoverable amount of the cash-generating unit to which the asset belongs. Goodwill is tested for impairment annually and whenever there is an indication that the asset may be impaired. An impairment of goodwill is not subsequently reversed.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

(l) Receivables and Payables

Receivables are carried at their amounts due. The collectability of debts is assessed at balance date and specific provision is made for any doubtful accounts. Liabilities for trade creditors and other amounts are carried at cost that is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the company.

Receivables and payables are non interest bearing and generally have payment terms of between 30 and 90 days.

(m) Borrowings

All loans are measured at the amortised cost. Interest is recognised as an expense as it accrues.

(n) Employee Benefits

Annual leave

Liabilities for annual leave expected to be settled within 12 months of the reporting date are recognised in the employee benefit liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled, at their nominal values. Employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the entity, in respect of services rendered by employees up to the reporting date. Regardless of the expected timing of settlements, provisions made in respect of employee benefits are classified as a current liability unless there is an unconditional right to defer the settlement of the liability for at least 12 months after the reporting date, in which case it would be classified as a non-current liability.

Long Service Leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and period of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows. Provisions made for unconditional long service leave are classified as a current liability, where the employee has a present entitlement to the benefit. The non-current liability represents long service leave entitlements accrued for employees with less than 7 years of continuous service.

Superannuation

The amount charged to the Statement of Profit or Loss and Other Comprehensive Income in respect of superannuation represents the contributions made by the Company to the superannuation plan in respect to the current services of entity staff. Superannuation contributions are made to the plans based on the relevant rules of each plan.

Employee Benefit On-Costs

Employee benefit on-costs, including worker's compensation are recognised and included in employee benefit liabilities and costs when the employee benefits to which they relate are recognised as liabilities.

(o) Provisions

Provisions are recognised when the economic entity has a legal, equitable or constructive obligation to make a future sacrifice of economic benefits to other entities as a result of past transactions or other past events, it is probable that a future sacrifice of economic benefits will be required and a reliable estimate can be made of the amount of the obligation.

(p) Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

(i) Impairment - general

The Company assesses impairment at each reporting date by evaluating conditions specific to the company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

(ii) Impairment - Doubtful debts provision

The directors have reviewed the accounts receivables and do not believe they are impaired as at 30 June 2021 (2020:Nil).

(q) Financial Instruments

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial Assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Company classifies its financial assets as measured at amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position. Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis.

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

Financial liabilities

The Company measures all financial liabilities initially at fair value less transaction costs. Subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Company comprise trade payables and bank loans.

2. Revenue

Operating Activities		
Sales revenue	19,723,909	18,787,513
Service fees from related entity	1,692,236	1,652,361
Memberships	153,652	103,715
Total revenue	21,569,797	20,453,589
Non Operating Activities		
Rent revenue	29,071	67,016
Sundry income	900,926	923,488
Profit on disposal of assets	-	-
Interest received	-	1,648
Total revenue from non-operating activities	929,997	992,152
Total revenue from Ordinary Activities	22,499,794	21,445,741

3. Profit includes the following expenses

Cost of Goods Sold	14,273,314	13,330,298
Depreciation and amortisation of non-current assets:		
- Buildings	190,788	173,253
- Plant and Equipment	139,313	125,385
- Right of Use Assets	320,134	311,356
- Intangible Assets	11,316	17,098
	661,551	627,092
Borrowing Expenses		
- Interest Paid	71,019	93,352
- Interest Recognised on Right of Use Assets	80,150	86,379
	151,169	179,731
Bad Debts	8,396	4,239

2021

2020

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4. Income Tax Expense

	2021	2020
(a) The components of tax expense comprise:		
Current tax	-	-
Deferred tax	-	-
Income tax expense	-	-
(b) The prima facie tax on profit from activities before income tax is reconciled to the income tax expenses as follows:		
Operating profit	1,089,592	1,072,191
Prima facie tax on profit @ 26%, (2020: 27.5%)	283,294	294,853
Add tax effect of:		
- Movement in provision for long service leave	(1,898)	5,322
- Movement in provision for annual leave	2,521	8,494
- Notional rent expense	19,162	10,629
- Notional interest expense	13,254	15,846
- Depreciation on right of use assets	52,938	57,119
- Non-deductible entertainment	893	1,285
- Wage accruals	5,981	5,256
- Other accruals	13,891	-
	106,742	103,951
Less tax effect of:		
- Mutual profit	48,908	35,583
- Notional rent income - inter-entity	30,129	4,250
- Rent Offset (Right of Use)	56,597	15,934
- Income accrued but not received	-	62,389
- Non-taxable Government Subsidies	-	68,750
- Additional building capital allowances	4,018	13,750
- Carried forward tax losses utilised	250,383	198,148
	390,036	398,804
Income tax on operating profit	-	-
Tax Losses (tax effected)		
Opening balance	452,445	650,593
Future income tax benefit/(deficit) not brought to account	(250,383)	(198,148)
Future income tax benefits arising from tax losses are not recognised at reporting date as realisation of the benefit is not regarded as virtually certain. Future income tax benefit carried forward is:		
	202,061	452,445

As at 30 June 2021, the balance of the gross carried forward tax losses is \$443,927 (tax effected: \$202,061), (2020: \$1,406,939 gross, tax effected: \$452,445).

2021

2020

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5. Cash Assets

Cash on Hand	13,642	15,942
Cash at Bank	668,896	206,504
	682,538	222,446

6. Trade and Other Receivables

Trade debtors	343,694	274,843
Government - PBS remittances outstanding	195,388	164,754
Loan - Inter-Company	(86,855)	(54,970)
Prepayments	101,604	388,873
	553,831	773,500

7. Inventories

Finished goods	1,578,080	1,810,582
	1,578,080	1,810,582



2021

2020

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8. Property, Plant & Equipment

Plant And Equipment		
At cost	2,083,769	2,047,986
Less accumulated depreciation	(1,593,363)	(1,454,050)
	490,406	593,936
Buildings		
At cost	4,045,985	4,013,552
Less accumulated depreciation	(2,224,885)	(2,034,097)
	1,821,100	1,979,455
Right of Use Assets		
At cost	3,231,176	3,184,503
Less accumulated depreciation	(631,489)	(311,356)
	2,599,687	2,873,147
Land		
At cost	380,944	380,944
	380,944	380,944
Total Written Down Amount	5,292,137	5,827,482
Movements in carrying amounts		
Plant And Equipment		
Carrying amount at the start of the year	593,936	324,530
Additions	35,783	394,791
Disposals	-	-
Depreciation	(139,313)	(125,385)
Carrying amount at the end of the year	490,406	593,936
BUILDINGS		
Carrying amount at the start of the year	1,979,455	1,824,312
Additions	32,433	328,396
Depreciation	(190,788)	(173,253)
Carrying amount at the end of the year	1,821,100	1,979,455
Right of Use Assets		
Carrying amount at the start of the year	2,873,147	-
Additions	46,673	3,184,503
Depreciation	(320,133)	(311,356)
Carrying amount at the end the year	2,599,687	2,873,147
Land		
Carrying amount at the start of the year	380,944	380,944
Carrying amount at the end of the year	380,944	380,944
Total written down amount	5,292,137	5,827,482

2021

2020

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9. Intangible Assets

Goodwill at Fair Value	4,254,104	4,254,104
	4,254,104	4,254,104
Other Intangibles		
At cost	64,597	64,597
Less accumulated amortisation	(52,559)	(41,242)
	12,038	23,355
Total written down amount	4,266,142	4,277,459
Movements in carrying amounts		
Goodwill		
Carrying amount at the start of the year	4,254,104	4,254,104
Additions	-	-
Carrying amount at the end of the year	4,254,104	4,254,104

During the financial year ended 30th June 2019 the company purchased the Bendigo Day and Night Pharmacy located in Bridge Street Bendigo. The purchase included plant and equipment, stock, and the assessed goodwill value of the customer base generating future earnings. This purchase was funded through a mix of existing cashflow and new loans which are secured over the assets of both Bendigo UFS Pharmacies Ltd and Central Victoria UFS Ltd.

Other Intangibles		
Carrying amount at the start of the year	23,355	35,767
Additions	-	4,686
Amortisation	(11,317)	(17,098)
Carrying amount at the end of the year	12,038	23,355
Other intangibles primary consist of software and website development amortised over a number of years.		
Total written down amount	4,266,142	4,277,459

10. Trade and Other Payables

Trade Creditors	1,405,437	1,265,530
Prepaid Memberships	146,190	163,216
Other Creditors and Accruals	464,917	381,269
	2,016,544	1,810,015

2021

2020

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11. Borrowings

(a) Current		
Bank Loans	77,691	270,429
Lease Liabilities	272,209	261,382
Credit Cards	13,544	7,990
	365,444	539,801
(b) Non-current		
Bank Loans	10,745	1,330,973
Leases	2,452,597	2,835,778
	2,463,342	4,166,751
Total Borrowings	2,828,786	4,706,552

The company has a bank overdraft facility for its working account and at the end of the financial year ended 30th June 2021 it was in credit. The bank loans and overdraft are secured by a first debenture charge from Bendigo UFS Pharmacies Ltd, Central Victorian UFS Ltd and the property held at 209 View Street, Bendigo.

Leases are for fittings, equipment and motor vehicles, and are secured by the underlying asset with fixed interest rates between 3.8% and 7.2%. The repayment terms are between 3 and 5 years. In addition, property lease liabilities are recognised in accordance with AASB16 - Leases, refer to note 1(r).

At the end of the financial year, and during the year the company has not been in breach of any of its loan covenants.

12. Provisions

(a) Current		
Employee entitlements	756,832	711,632
(b) Non-current		
Employee entitlements	81,337	83,633
Total Provisions	838,169	795,265
Number of employees at the end of the financial year.	119	106

13. Retained Earnings

Balance at the beginning of the financial year	5,599,637	4,527,446
Net Profit from ordinary activities after Income Tax	1,089,592	1,072,191
Balance at the end of the financial year	6,689,229	5,599,637

2021

2020

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14. Statements of cashflows

Reconciliation of cash		
Cash on hand	13,642	15,942
Cash at bank	668,896	206,504
	682,538	222,446
Reconciliation of profit after tax to net cash provided by operating activities		
Profit from ordinary activities after income tax	1,089,592	1,072,191
Non-cash items:		
- Depreciation and amortisation expense	661,551	627,091
- Interest Recognised on Right of Use Assets	80,150	86,379
- Rent Notional	(342,258)	(340,087)
- Adjustment to Right of Use Liability	1,415	-
Changes in assets and liabilities:		
- Decrease/(Increase) in receivables	219,669	(27,150)
- Increase/(Increase) in inventories	232,502	(149,841)
- Increase in payables	206,529	103,057
- Increase in provisions	42,904	67,232
Net cashflow provided by operating activities	2,192,054	1,438,872

15. Auditor's Remuneration

Amounts received or due and receivable by the auditor of the company for:		
- Auditing the financial accounts	28,067	17,947
- Other services in relation to the company	-	-
	28,067	17,947

16. Related Party Transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. None of the transactions incorporate special terms and conditions and no guarantees were given or received.

Bendigo United Friendly Societies Pharmacies Ltd provide all day to day operational management for Central Victorian United Friendly Society Limited which currently operates a single pharmacy in Maiden Gully. As a result of transactions created through this service structure, intercompany balances are created which are materially settled on a monthly basis. The outstanding balances are provided below:

Outstanding Balance at 30 June	(86,855)	(54,970)
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In addition to these intercompany balances, service fees are also paid to Bendigo United Friendly Societies Pharmacies Ltd which cover the provision of all support services to operate the pharmacy owned by Central Victorian United Friendly Society Limited. These include providing all employees, purchasing and other elements to conduct the business.

Service Fees for the financial year	1,692,236	1,562,361
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The names of each person who held the position of Director during the year are:

Ms Nicole Cox
 Mr Chris DeAraugo
 Mr Stephen Iser
 Mr Paul Kirkpatrick
 Mr Peter Leersen
 Mr Andrew Trewartha
 Ms Sue Clarke

Directors' Remuneration		
Short term employee benefits	87,053	75,166
Post - employment benefits	8,197	7,200
Total Directors' Remuneration	95,250	82,366

Since the end of the previous financial year no Director of the society has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors shown in the accounts) by reason of a contract made by the society with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial interest.

17. Subsequent events

The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as any impact on the financial position and results of the Company for future periods.

There are no other matters that have arisen since the end of the financial year that have significantly affected the operations of the company or its financial balances.

18. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the date of this report to affect the financial statements.

19. Commitments

(a) Capital commitments

As at 30th June 2021 there are no capital commitments.

20. Segment reporting

Bendigo United Friendly Societies Pharmacies Ltd operates predominantly in one geographical area being Bendigo Victoria within the Friendly Society Industry.

21. Registered office/Principal place of business

The registered office and principal place of business is:

Registered office

Suite 2, 379 Hargreaves Street, Bendigo, VIC 3550

Principal place of business

379 Hargreaves Street, Bendigo 3550

209 View Street, Bendigo 3550

32 Blucher Street, Strathfieldsaye 3551

2/741 Calder Highway, Maiden Gully 3555

40 Bridge Street, Bendigo 3550

22. Financial Risk Management Policies

The company's activities expose it to a limited variety of financial risks: market risk (including currency risk, fair value interest risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the entity. The entity does not use derivative instruments.

Risk management is carried out directly by the Board of Directors.

(a) Financial Risk Management Policies

Market Risk

The company has no exposure to any transactions denominated in a currency other than Australian dollars.

Price Risk

The company is not exposed to equity securities price risk as it does not hold investments for sale or at fair value. The company is not exposed to commodity price risk.

Liquidity Risk

Prudent liquidity management implies maintaining sufficient cash and marketable securities and the availability of funding from credit facilities. The company believes that its sound relationship with Bendigo and Adelaide Bank Limited and National Australia Bank Limited mitigates this risk significantly.

Cash flow and fair value interest rate risk

Interest-bearing assets are held with Bendigo and Adelaide Bank Limited and National Australia Bank Limited, and subject to movements in market interest. Interest-rate risk could also arise from long-term borrowings. Borrowings issued at variable rates expose the company to cash flow interest-rate risk. The company believes that its sound relationship with Bendigo and Adelaide Bank Limited and National Australia Bank Limited mitigates this risk significantly.

Credit risk

The maximum exposure to credit risk at balance date to recognised financial assets is the carrying amount of those assets as disclosed in the Statement of Financial Position and notes to the financial statements.

There are no material credit risk exposures to any single debtor or group of debtors under financial instruments entered into by the economic entity.

(b) Financial Instrument Composition and Maturity Analysis

Net fair values

The net fair values of financial assets and liabilities approximate the carrying values as disclosed in the Balance Sheet.

The company does not have any unrecognised financial instruments at the year end.

Financial Instrument	Floating Interest Rate		Fixed Interest Rate		Non Interest Bearing		Weighted Average Effective Interest Rate	
	2021 \$	2020 \$	2021 \$	2020 \$	2021 \$	2020 \$	2021 %	2020 %
Financial assets								
Cash at Bank	668,896	206,504	-	-	-	-	0.00%	0.84%
Receivables	-	-	-	-	533,831	773,500	0.00%	0.00%
Financial Liabilities								
Trade and Other Payables	-	-	-	-	2,016,544	1,810,015	0.00%	0.00%
Borrowings	2,735,798	133,836	92,989	1,641,921	-	-	4.51%	3.91%

Maturity Analysis

The table on the following page provides information on the company's maturity profile of its financial liabilities:

	Repayable over:			Total contractual cash flows	Less future interest	Carrying amount of liability
	1 year or less	1 to 5 years	5+ years			
	\$	\$	\$			
Year ended 30 June 2021						
Trade and other payables	2,016,544	-	-	2,016,544	-	2,016,544
Borrowings	381,188	1,482,599	964,999	3,183,031	(354,245)	2,828,786
	2,397,732	1,482,599	964,999	5,199,575	(354,245)	4,845,330
Year ended 30 June 2020						
Trade and other payables	1,810,015	-	-	1,810,015	-	1,810,015
Borrowings	694,120	2,097,729	2,763,733	5,555,582	(849,030)	4,706,552
	2,504,135	2,097,729	2,763,733	7,365,597	(849,030)	6,516,567

(c) Sensitivity Analysis

Interest Rate Risk

The organisation has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date.

This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in this risk.

Interest Rate Sensitivity Analysis

At 30 June 2021 the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant, would be insignificant as most of the company's financial liabilities are fixed rate contracts.



Director's Declaration

Bendigo United Friendly Societies Pharmacies Ltd Director's Declaration

The directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

In accordance with a resolution of the directors of Bendigo United Friendly Societies Pharmacies Limited, the directors declare that:

- 1)** The financial statements and notes, as set out on pages 27 to 43 are in accordance with the Corporations Act 2001 and:
 - a. comply with Accounting Standards applicable to the company; and
 - b. give a true and fair view of the financial position as at 30 June 2021 and of the performance of the company for the year ended on that date of the company in accordance with the accounting policies described in Note 1 of the financial statements.
- 2)** In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

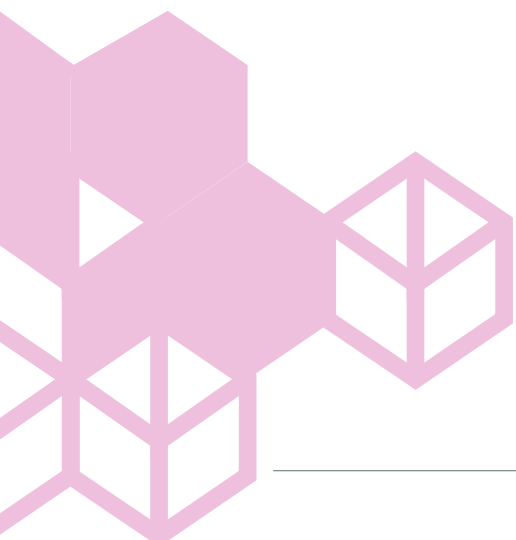


Ms Nicole Cox
Chair



Mr Paul Kirkpatrick
Deputy Chair

Signed on 2 November 2021





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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BENDIGO UNITED FRIENDLY SOCIETIES PHARMACIES LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of Bendigo United Friendly Societies Pharmacies Limited, which comprises the balance sheet as at 30 June 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the directors' declaration.

In our opinion the financial report of Bendigo United Friendly Societies Pharmacies Limited is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the company's financial position as at 30 June 2021 and of its performance for the year then ended; and
- (ii) complying with Australian Accounting Standards to the extent described in Note 1, and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110: Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Bendigo United Friendly Societies Pharmacies Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Information Other than the Financial Report and Auditors Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the company's annual report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Richmond Sinnott & Delahunty, trading as RSD Audit
ABN 60 616 244 309
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Responsibilities of the Directors of the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibility for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

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

RSD Audit

Chartered Accountants

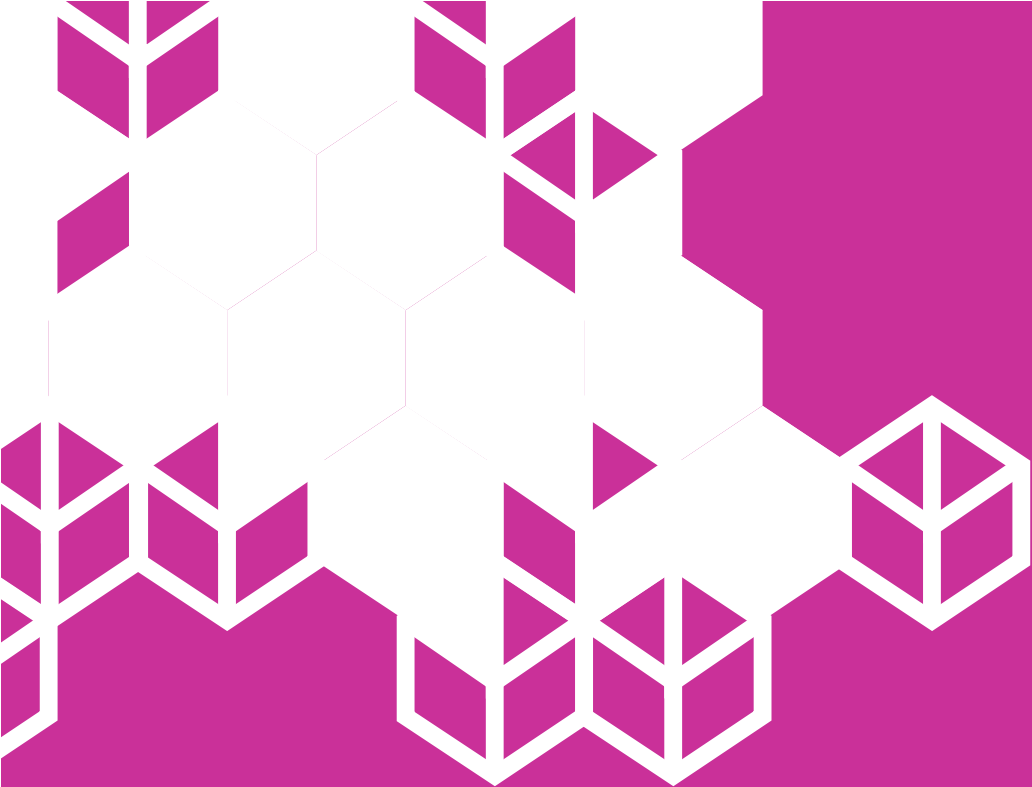
A handwritten signature in black ink, appearing to read 'P. P. Delahunty'.

P. P. Delahunty

Partner

Bendigo

Dated: 2 November 2021



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 **UFS**
Pharmacies