



**Annual Report**

**2025**



## Who we are

National Pharmacies is Australia's largest friendly society pharmacy and optical business where profits made through operations are returned to members in the form of benefits.

## Our Purpose

Caring for People.  
Enabling Health.  
Inspiring Wellness.

## Our Vision

To be the destination of choice for professional and innovative health and wellness solutions.

## Our Mission

To nurture trusted relationships, provide unrivalled customer experience and make sustainable choices.



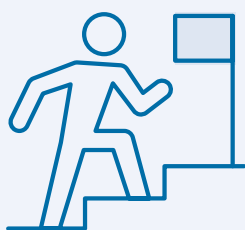
National  
Pharmacies





## What we do

Providing high quality customer care, expert health advice and a range of products and services to meet changing community needs are at the heart of what we do at National Pharmacies. Our business spans across Health, Optical, Beauty and Wellbeing and Distribution.



## Where we come from

Since opening our doors as a single dispensary in Adelaide in 1911, we have grown into a member-based organisation reinvesting profits to boost our products and services for the benefit of our members and the broader community.





## Where we are

Today, we operate 46 pharmacies in South Australia, Victoria and New South Wales and 19 optical stores in South Australia.



## Where we are going

We are always looking to invest in innovative and sustainable ways to improve access to expert, quality and affordable community health care.

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# Chairman's Report



At National Pharmacies, our purpose – to build a healthier community through trusted, personalised, expert health care – remains the compass guiding every decision we make.

In a year marked by innovation and complexity, we took deliberate steps to strengthen our organisation, expand our positive community impact and deliver greater value to members, customers and the communities we serve.

## A year of firsts

2024/25 was a year of strategic progress and meaningful milestones. We introduced free flu vaccinations for children under family memberships, to help ease household budget pressures during tough economic times and to reduce strain on the broader health system. We also launched TeleWell, our GP telehealth service in partnership with Partnered Health and began delivering travel vaccinations from our pharmacies. Supported by a redesigned website and enhanced digital member experience, these initiatives reflect our continued investment in convenient, technology-enabled health solutions.

We also operated South Australia's first 24/7 community pharmacy at our Norwood store through its first full year. This service alone provided essential after-hours care to more than 25,000 people over the first 12 months of operation, demonstrating our commitment to accessible, frontline health care.

## Successes amid challenges

Our achievements came despite external headwinds. The cost-of-living crisis altered consumer behaviour, and the introduction of 60-day dispensing, as well as the end of our Bupa Pharmacy Saver partnership, brought operational and financial challenges.

Yet we remained agile – refining our membership offering and advocating for expanded community pharmacy practice, including treatment for Urinary Tract Infection (UTI), contraceptive prescribing and broader injectable services – strengthening our community health role in a stretched healthcare system.

Our active engagement with governments and stakeholders helped shape national agreements, including the Eighth Community Pharmacy Agreement (8CPA) and the First Pharmaceutical Wholesaler Agreement (1PWA). These long-term commitments provide certainty around medication access and funding for community pharmacies.

We continued our digital transformation, introduced new optical dispensing software and enhanced supply chain and retail processes. We relocated our Glenelg optical service to a flagship site on Jetty Rd, in Adelaide, and refreshed our Maryborough and Monaghans stores in Victoria.

All these initiatives – delivered under economic pressure – demonstrate our agility and commitment to evolving community needs. Although we delivered a loss of \$2 million (less than half the \$5.5 million loss recorded in the prior year), our commitment to disciplined financial management resulted in 4.1% revenue growth – our strongest performance since 2022.

## Strategic execution driving impact

Our strategy remains focused on delivering our purpose: caring for people, enabling health and inspiring wellness.

We supported the transition of former Bupa Pharmacy Saver members, retaining more than one-third. We enhanced fulfilment systems, reviewed membership processes and added benefits reflecting evolving community needs. We welcomed new suppliers and strengthened ties with more than 520 suppliers across prescription medicine, health, beauty and optical. In-store beauty treatments are a growing part of our offering, with new beauty rooms opened across a number of stores.

Our 900-plus workforce across South Australia, Victoria and New South Wales remains our greatest asset. We invested in training, including mental health first aid certification and have one of the most active pharmacy intern programs. Our pharmacists lead in providing expanded scope of practice services, including UTI treatment, contraceptive prescribing and injectables.

Our impact goes beyond the pharmacy and optical services. In 2024, we received the Health Industry Hub's Sustainability Champion award for pharmaceutical waste recycling. Our employees volunteered with charity KickStart For Kids and our customers, members and staff have donated more than 6,500 sanitary products over the past three years to help end period poverty in schools.

## Looking ahead: growth with purpose

As we enter 2025/26, our key focus areas will be:

- Investing in the 'pharmacy of the future'.
- Strengthening our digital and membership offerings.
- Delivering on our evolving People Plan.

The relocation of our North Adelaide store to the long-awaited residential development, Eighty Eight O'Connell, and the upcoming Christies Beach store upgrade underscore our commitment to long-term growth and community investment.

This year also marked a leadership transition. On behalf of the Board, I extend our sincere thanks to outgoing CEO Vito Borrello, whose leadership has transformed our organisation and positioned us for the future. His legacy includes the 24/7 Norwood pharmacy, a robust digital uplift and a clearer, stronger operating model. As we welcome incoming CEO Mark Smith (pictured below), we do so with full confidence in his ability to build on this foundation and lead us into our next chapter.



Mr Smith, who joins National Pharmacies in July, brings extensive leadership experience from senior roles with leading Australian and international retailers, including Viva Energy Retail, Tesco, Woolworths, and Coles. In his most

recent role as Chief Operating Officer of OTR, continuing under Viva Energy, he led significant business transformation and growth, with a focus on customer experience, market differentiation, and employee engagement.

I wish to thank our Board Members for their support and guidance in a rapidly evolving Australian pharmacy sector. With higher community needs and a growing demand for accessible, expert care, National Pharmacies is poised not just to meet the moment – but to shape what comes next.

**Pauline Carr**

Chairman, Board of Directors

## Around the nation

### South Australia



In 2024/25, under new expanding scope of practice initiatives our South Australian pharmacies provided more health services, including travel vaccinations. From 2026 (with training), our SA pharmacies will be able to treat everyday health issues such as acne, ear infections and rhinitis.

This builds on prior State Government reforms to community pharmacy practice allowing treatment for uncomplicated UTIs and oral contraceptive resupply. Our pharmacists are receiving extra clinical training, and pharmacy software is being upgraded statewide to support this expansion of practice.

We also welcomed more than 28,000 visitors after hours in 2024/25 to our 24/7 Norwood store – the first to open in SA. Investment highlights included relocating the Glenelg Optical by National Pharmacies store to Jetty Rd.

### Victoria & NSW



Victoria expanded its community pharmacy care model, allowing our pharmacists to treat 22 acute and chronic conditions – including shingles and psoriasis – thanks to an \$18 million State Government investment.

Our first regional Victorian pharmacy, Monaghans, had a makeover to ensure the beautiful façade continues to welcome members and the local community for years to come – as did our Maryborough store.



**\$18m State Government investment in community pharmacy.**

In NSW, we supported communities affected by the May floods by supplying essential medicines to local pharmacies in the Mid Coast and Hunter Valley.



# The year in review

## 2024

**July 1**

Eighth Community Pharmacy Agreement commences.

**September 25**

Expanded scope of pharmacy practice announced in SA.

**November**

Held the 25th National Pharmacies Supplier Awards and the 92nd National Pharmacies Christmas Pageant.

**August 23**

92nd National Pharmacies Christmas Pageant Royal Family announced.

**October 22**

Awarded Health Industry Hub 'Sustainability Champion' award.

**December**

First Pharmaceutical Wholesaler Agreement signed and Glenelg Optical by National Pharmacies store opens.

## 2025

**January 22**

First day on the job for our pharmacy interns.

**March**

1,200 UTI pharmacy consultations (SA, VIC and NSW) in first year of expanded scope of practice and introduced free flu jabs for children under family memberships.

**June 30**

22,134 influenza vaccinations administered across SA, VIC and NSW in one of worst months for flu season on record.

**February 4**

25,000 after-hours visitors in first year of Norwood 24/7 pharmacy opening.

**April**

Travel health vaccination pilot service launched.

**May 5**

National Pharmacies launches 24/7 online GP service Telewell.

# Health

Providing trusted patient-centred care is so important to National Pharmacies. In 2024/25, our ongoing efforts to improve affordability and access to quality primary health care included introducing free influenza vaccinations for children of National Pharmacies family members, 24/7 expert GP telehealth services and travel vaccinations.

Over the past year, more than 28,000 people visited our 24/7 pharmacy in Norwood after hours as part of a State Government initiative to ease pressure on hospital emergency departments and GP clinics.



**3.5m+**  
prescriptions  
dispensed



**1,320+**  
UTI & contraceptive  
pill consultations



**28,000+**  
after hours visitors  
to 24/7 pharmacy



## Free vaccinations for kids as flu storm hits

This year, National Pharmacies for the first time offered members free influenza vaccinations for children aged five to 17 as national flu cases reached their highest level in almost a quarter of a century.

Since rolling out the free program in March, more than 520 children have been vaccinated.

Children aged five to 15 have some of the lowest flu vaccination rates in the nation, with access to appointments and cost cited as key barriers to vaccination in a national survey.

National Pharmacies Chief Pharmacist Bec Rogers says: "National Pharmacies is proud to offer busy families flexible and affordable access to flu immunisations for children."



**More than 520 children  
have been vaccinated  
since March.**

## Specialist GP care for members that never clocks out

National Pharmacies has partnered with one of Australia's leading primary healthcare providers, Partnered Health, to offer round-the-clock access to specialist general practitioners via the TeleWell online GP service.

**National Pharmacies is the first community pharmacy group to integrate the TeleWell service.**

Since April, National Pharmacies members and customers have accessed this convenient telehealth service directly through the National Pharmacies website.

Delivered by Partnered Health's team of vocationally registered GPs – who have completed advanced training in general practice – the service ensures high-quality, patient-centred care at any time of the day or night.

National Pharmacies is the first community pharmacy group to integrate the TeleWell service, reinforcing its commitment to accessible health care and easing pressure on the broader health system.



Steve Connelly, Pharmacist and Senior Manager of Ethical Buying and Community Service Obligation.

With the addition of TeleWell, National Pharmacies delivers integrated health care that connects expert GPs with local pharmacists, offering patients a seamless path from consultation to treatment.

Patients can book consultations for medical advice, diagnoses, treatment plans and prescriptions, which can then be sent electronically to their local National Pharmacies store for timely access to medication.

# Health

## On the move: bringing travel vaccinations to your local pharmacy

A growing number of National Pharmacies stores are rolling out a new travel vaccination service following a successful trial in South Australia.

There are 12 pharmacies currently providing travel vaccinations to members and customers with more than 50 pharmacists trained, including Pharmacist in Charge Adeline Low (pictured).

**“Ensuring ease of access to, and affordability of, travel vaccinations is really important for the health and wellbeing of us all.”**

The new service was introduced following the South Australian Government’s expansion of the vaccinations pharmacists are allowed to initiate and administer as part of broader efforts to alleviate pressure on GPs.

The National Pharmacies travel vaccination service was trialled at the Glenelg pharmacy in April and continues to expand as more pharmacists are trained.

At Glenelg, Principal Pharmacist Kerry Savas says pharmacists can not only initiate and administer recommended vaccinations to protect against a range of diseases, but can also suggest helpful over-the-counter travel items, including essential first aid, and provide tips on managing medications while away from home.

Chief Pharmacist Bec Rogers says travel vaccination protects travellers and the broader community against diseases, like measles and polio, from entering Australia.

“Ensuring ease of access to, and affordability of, travel vaccinations is really important for the health and wellbeing of us all,” she says. “Travel vaccination is so much more than just putting a needle in your arm.”



Cumberland Park store Pharmacist in Charge Adeline Low.



**12 pharmacies**

currently providing travel vaccinations



**50+ pharmacists**

trained to administer travel vaccinations

## Sleep experts help bust gender myths on World Sleep Day

Each year, National Pharmacies' growing team of sleep consultants assists hundreds of men and women get a good night's sleep.

National Pharmacies runs 15 sleep apnoea clinics across South Australia and New South Wales to help improve sleep quality, properly fit masks and filters and offer expert assistance and guidance.

This year, on World Sleep Day (March 14), National Pharmacies Health Services Administrator and Sleep Consultant Ashleigh Mingorance highlighted how undiagnosed sleep apnoea can lead to serious health complications, including high blood pressure, weight gain, anxiety, depression, and a significantly reduced quality of life.

"Unfortunately, women are less likely to be aware of sleep apnoea risks as they are often associated with older, overweight men, and many women attribute their fatigue to factors like menopause or the demands of being a working mum," Ashleigh says.



**National Pharmacies runs 15 sleep apnoea clinics across South Australia and New South Wales to help improve sleep quality.**

**"Many women attribute their fatigue to factors like menopause or the demands of being a working mum."**

National Pharmacies Health Services Administrator and sleep consultant Ashleigh Mingorance.



# Optical

Optical by National Pharmacies has begun a focused transformation to deliver greater value, convenience and choice for members. This has included investing in store refurbishments at Blackwood, Mt Barker and Newton – creating brighter, more modern spaces that improve the in-store experience and showcase our eyewear range.

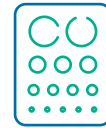
A major milestone has been the relocation of our Glenelg store to a new flagship site on Jetty Road. The new optical store opened in November, directly opposite our pharmacy, and immediately experienced an uplift in sales.

To support long-term growth, we have introduced a strategic initiative to align our optical services more closely with member needs now and in the future. We undertook a full retail pricing review and strengthened partnerships with more than 20 suppliers, including Maui Jim, VMD, Marchon and Zeiss. Targeted marketing activity reconnected with existing members, attracted new ones, and engaged those members yet to use our optical services.

We also introduced a global-leading digital dispensing platform and supported staff training in new digital measurement tools to ensure best-practice care. These changes mark the beginning of a broader shift to strengthen and modernise our optical offerings.



**20,980+**  
prescription  
eyewear dispensed



**320**  
kids' free/upgrade  
glasses



**19**  
optical stores



**20+**  
optical suppliers



## Optical dispensing: much more than the eye can see

At Optical by National Pharmacies, we have a team of 63 skilled optical dispensers who fit and dispense eyeglasses and contact lenses to ensure patients receive the correct eyewear based on their prescriptions.

**“It was an amazing transformation to witness and was real recognition of the significant work we do and the positive impact we have on people’s lives.”**

Their important role in eyecare goes well beyond choosing the right style and colour of the frame. Optical Dispenser Alison Middleton, from our Cumberland Park store, says she’s witnessed some incredible life-changing moments for patients, particularly children, upon receiving the correct eyewear. Alison recalls fitting glasses for a girl while volunteering at a school for at-risk youth. “She had a very complex prescription,” Alison says.

At the one-year follow-up appointment, Alison says she was amazed by the child’s progress.



Cumberland Park store Optical Dispenser Alison Middleton.

“The outgoing young woman in front of me was a totally different person to the shy young girl who was struggling to stay engaged in school and the community a year ago.

“It was an amazing transformation to witness and was real recognition of the significant work we do and the positive impact we have on people’s lives.”



**Our 63 skilled optical dispensers ensure patients receive the correct eyewear.**

# Distribution

National Pharmacies Distribution is our pharmacy wholesale operation, supplying more than 3,000 prescription medications to more than 70 South Australian and Victorian pharmacies and allied health clinics. This is in addition to supplying and distributing prescription and over-the-counter medicines to our own 46 pharmacies across three states.

We are among a small network of pharmacy wholesalers accredited and funded by the Federal Government to ensure pharmacies have equitable, safe and timely access to prescription medications, including vital vaccinations and specialty medicines to treat complex and chronic conditions. Our role also includes ensuring that whenever disaster strikes, South Australians and Victorians can still access the vital medicines they need.

This year, the first Pharmacy Wholesaler Agreement was established, ensuring Australians can continue to rely on the certainty of timely and reliable medicine supply from their local pharmacy. It also ensures the rising costs of distributing medicines across Australia will not be passed on to patients.



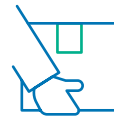
## 116

Pharmacies/allied health clinics supplied



## 7.8m+

units dispatched



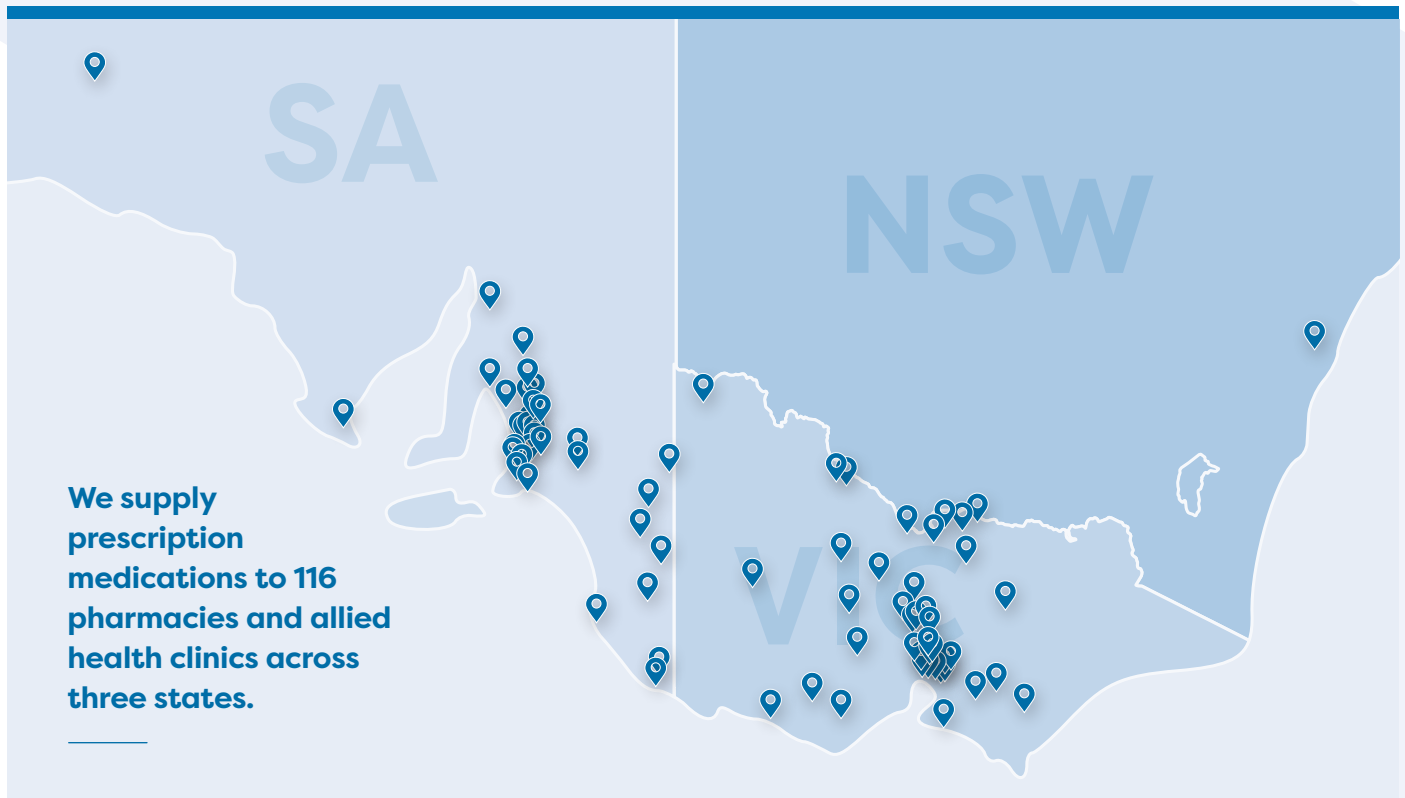
## 2.1m+

medicines delivered safely



## 50

specialised wholesale workforce



## Fuelling the front line: the engine room of our pharmacy group

Tucked away in Adelaide, our Distribution Centre is the engine room of our pharmacy group – quietly powering the safe and timely delivery of more than 7.8 million medication units each year to our own community pharmacies and many others across South Australia and Victoria.

**“It’s a hidden operation  
- but one that changes  
lives, every single day.”**

“We’re acutely aware of how important timely access to medication is every day,” Steve Connelly says. A trained pharmacist, Steve is the Senior Manager of Ethical Buying and Community Service Obligation at the National Pharmacies Distribution Centre.

“I’ve been on the front line – I know how vital the supply chain is to patients,” he says.

Stocked with medications from around the world – including antibiotics, pain relief, cancer treatments and EpiPens – orders are checked, picked, packed and dispatched via road, rail, air, and our own fleet of trucks, which travel on average 15,360km a month.



Crispin Naomi at the National Pharmacies Distribution Centre.

Some medicines require cold storage and special handling.

“It’s a hidden operation – but one that changes lives, every single day,” Steve says.



**Our own fleet of trucks  
travel on average 15,360km  
a month.**

# Beauty & wellbeing

From how to effectively treat acne and eczema, to the best UV defence, and the world's top fragrances and cosmetics lines, National Pharmacies' beauty and wellbeing services and products aim to help members and customers stay healthy inside and out.

With more than 10,300 beauty products sold in 2024/25, and expert beauty therapists located at our stores, National Pharmacies is continuing to provide a wide range of high-quality skin, hair, beauty and fragrance offerings to meet our community's changing needs.



## 5<sup>th</sup>

largest national retailer of Clarins



## 23

beauty rooms



## 10,350+

beauty products sold

## More than skin deep

At National Pharmacies, there's an important philosophy that cuts to the core of its high quality beauty and wellbeing products and services.

"Beauty is not just about make-up and looking pretty! It is about the inside and the outside. It's about how you feel and this reflects in your skin, your hair, your eyes and your energy," Anna Averyanova says.

Anna is the Category Manager – Prestige Beauty at National Pharmacies. She ensures our beauty and personal care range supports our wider commitment to quality, health and wellbeing.

Anna says the continuing evolution of National Pharmacies' focus on health and beauty has been highlighted by the growth in demand for its specialist beauty and wellbeing treatments now offered in-store across 23 beauty rooms.

These include treatments for sensitive skin and facial massages to assist with lymphatic drainage.



Senior beauty therapist Rebekah Sloper in one of our in-store beauty rooms.

"Our flagship beauty rooms offer a five-star experience," Anna says. "We have really invested in making them look and feel comfortable – from the lighting, to the textures, sounds and smells."

"It's all about feeling great and looking great as a result," she says.

CLARINS

**We aim to help  
members and  
customers stay  
healthy inside  
and out.**

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# Our People

At National Pharmacies our commitment to caring for people, enabling health and inspiring wellness is the purpose that continues to shape every aspect of our people strategy. Across three states, our dedicated team works hard to deliver exceptional care to the diverse communities we serve.

This year, we launched our Multicultural Ambassador Program, which aims to embed the South Australian Multicultural Charter across our organisation - an important step towards becoming a more culturally responsive and inclusive employer and improve our understanding of the diverse health needs of our members and communities.

We also delivered several targeted training programs – including customer service, respectful workplace, manual handling and training to support the expanded scope of pharmacy practice. We trained 17 pharmacy interns through our internship program and continued to offer university scholarships to support the next generation of pharmacists. This work is essential to ensuring we're ready to meet growing and evolving patient needs with pharmacists enabled to treat a wider range of health conditions from 2026.



**928**  
employees



**8.6 years**  
average tenure



**4,970**  
training hours



**159**  
pharmacists

**Our dedicated team works hard to deliver exceptional care to the diverse communities we serve.**



## Amber helping build the future of pharmacy

South Australian pharmacy student Amber Douglass believes there's never been a more exciting time to enter the profession. "It's a really exciting time to be entering pharmacy," says the 20-year-old university student.

With pharmacists now able to provide more health services, such as vaccinations and managing everyday health conditions, their role in community care is expanding rapidly. But with fewer students completing pharmacy degrees, the future workforce is under pressure.

**"The pharmacists I worked with combined clinical skill with genuine care for their community – and that's what inspired me."**

The National Pharmacies student scholarship program helps address this by supporting dedicated students like Amber to stay the course. Now in its second year, the scholarship provides financial assistance to University of South Australia second-year pharmacy students from rural areas, or those keen to work in them.



Pharmacy student Amber Douglass.

Amber, who grew up in Clare, South Australia, and moved to Adelaide to study pharmacy says the scholarship has been a vital support – "it meant I could focus on my studies without having to choose paid work over uni".

Her passion for pharmacy began in Year 9 after working part-time after school at a local country pharmacy. "The pharmacists I worked with combined clinical skill with genuine care for their community – and that's what inspired me," she says. Amber is expected to graduate in 2027.



**This year we trained 17 pharmacy interns through our internship program.**

# Our Members

As a member-based organisation, our members are our north star, guiding our focus on achieving growth, generating member value and building sustainable operations.

To ensure that we remain relevant and are well positioned to serve our more than 150,000 members now and into the future, we continue to invest in new products, services and expert health and optical professionals. Recognising the continuing impact of cost of living pressures, particularly on families, this year we have introduced free children's flu vaccinations for family memberships, new travel vaccination services and a 24/7 telehealth service.

National Pharmacies has been focused on maintaining exceptional member experiences throughout the year, so members can access expert, quality, and affordable community care and wellbeing services to maintain and improve their health. And our efforts show, with our annual Member Satisfaction rating at just shy of 90 per cent.



**\$24.1m**

in member savings



**17%**

Growth in couples memberships



**5 years**

Average member journey

## Raelene Easton, 80 Glenunga, SA Member for 30+ years



Member Raelene Easton at the Glenunga store.

For Raelene Easton, it's the little things that keep her coming back to National Pharmacies.

"The friendly faces – they know me by name. That's nice," she says.

Raelene and her husband Terry have been loyal members for more than three decades. Now enjoying retirement, the Glenunga store has become part of their weekly routine.

"I'm always in the chemist," Raelene laughs. "The moment I walk in, there's that lovely smell – the candles and diffusers make it feel so calm and familiar."

Her favourite treat? "Glasshouse diffusers and Revlon cosmetics. I always keep an eye out for member specials."

## Prab Kaur, 35

Norwood, SA

### Member for 1.5 years

On a quick lunch break from a busy health practice, dentist and Adelaide mum-of-two Prab Kaur popped into the National Pharmacies Norwood store hoping to find a specific cosmetic brand.

**“Their commitment gives me peace of mind and a truly professional experience.”**

She found it — and much more.

Welcomed by friendly beauty consultants and pharmacy assistants, who now greet her by name, Prab (pictured) was so impressed by the customer-friendly service that she emailed a thank-you note to the store the very next day.

“That was it — I just kept going in,” she says.

Prab soon became a member.

“There are some great member deals,” she says. “But what really stands out is the expert, professional care.”



National Pharmacies member Prab Kaur.

As a health professional herself, Prab values the high standards of hygiene at National Pharmacies, particularly in light of the evolving role of pharmacists in treating everyday health concerns.

“The Norwood team consistently upholds exceptional infection control and cleanliness,” she says. “Their commitment gives me peace of mind and a truly professional experience.”

# Our Community

From preserving a cherished Christmas tradition to advancing sustainability and supporting vulnerable children, our commitment to community shapes our actions and priorities.

This year, more than 530 staff and members brought festive joy to more than 320,000 spectators at the National Pharmacies Christmas Pageant. We proudly supported KickStart For Kids, helping provide essential support to disadvantaged school children. Our stores collected more than 6,500 sanitary products for the charity's Period Poverty campaign over the last three years, while staff volunteers helped the charity serve about 60,000 breakfasts and 10,000 lunches each week – ensuring thousands of children could start their school day nourished and ready to learn.

Our impact extends beyond social initiatives to environmental action. In partnership with Viatris, we recycled empty medicine blister packs, this year diverting 25.8 tonnes of pharmaceutical waste from landfill. Together, these efforts reflect our unwavering mission to champion the health and wellbeing of our communities – in every way we can.



## 25.8

tonnes recycled  
medicine blister  
packs



## 6,500+

sanitary products  
donated



## 530

employees  
& members  
participated in the  
Christmas Pageant

## Addressing period poverty in our community

National Pharmacies has collected more than 6,500 period products for KickStart For Kids through our pink donation boxes, located in our stores. KickStart For Kids distributes sanitary items to over 200 local and regional schools in South Australia. Adelaide chef Tam Tonkin, 49, recalls using old clothes and toilet paper to manage her periods as an 11-year-old. “I’d be crying for days,” Tam says. “I couldn’t go to school – I was so embarrassed and scared I’d have an accident.” Her younger sister Kimberley Bolton, National Pharmacies General Manager Member and Customer Experience, says no girl should ever go through what her sister did. Kimberley, who was unaware of Tam’s period poverty struggles at the time, has been volunteering with KickStart For Kids as part of a National Pharmacies’ employee program.



(L-R) Sisters Kimberley Bolton and Tam Tonkin.

“Every product donated is a step toward dignity, health, and equal opportunity for girls in our community,” Kimberley says. “We’re proud to support KickStart For Kids in making sure no student misses school because they can’t access basic sanitary care.”

## Spreading pageant magic in regional SA

In 2024, National Pharmacies Christmas Pageant Royal Family Queen Kerryn Pearsons brought festive sparkle to the Victor Harbor Child Care & Education Centre, helping local children craft their own royal crowns ahead of the big day.

Living 60km from Adelaide, most of the time these little ones watch the Pageant on TV – so Queen Kerryn made sure they'd feel part of the Big Day from their lounge rooms. As Pharmacist in Charge at our Victor Harbor store, Queen



National Pharmacies Christmas Pageant Royal Family Queen Kerryn Pearsons.

**“Spreading the joy of the Christmas Pageant far and wide is so important for regional children and families.”**

Kerryn proudly wore her crown while caring for customers—often pausing for a royal photo or two! “Spreading the joy of the Christmas Pageant far and wide is so important for regional children and families,” she says.

On Pageant Day, Queen Kerryn was waving especially hard to her tiny crown-makers back home.

At National Pharmacies, we're proud to support community connection and joy, making sure every child feels the magic—no matter where they are. The National Pharmacies Royal Family are six employees selected each year for their strong sense of community and passion for National Pharmacies and the Christmas Pageant and include a Queen, King, princesses and princes.



**More than 320,000 spectators attended the National Pharmacies Christmas Pageant.**

# Our Suppliers

Each year, National Pharmacies acknowledges excellence, innovation and exceptional service among the more than 500 businesses that supply prescription medication and health, beauty and optical products to our members and customers.

The 25th National Pharmacies Supplier Awards held in November really highlighted the breadth and depth of our outstanding suppliers and the ongoing collaboration that continues to deliver quality and value to those we serve. In 2024, there were 33 finalists and 12 award recipients. Finalists are selected by a panel of nine judges from across National Pharmacies on criteria which include communication, service, product range and support.



## 33

Finalists



## 12

Award recipients



## 9

Judges



## 25th National Pharmacies Supplier Awards

### Account Manager of the Year

Distribution - Phong Huynh, Arrotex Pharmaceuticals  
 Health - Antoinette Feodoroff, Aspen Pharmacare Australia  
 Optical - Philip Crabtree, VMD Eyewear  
 Beauty (dual winner) - Ruth Robinson, Clarins and Tania Bishop, McPherson's Consumer Products

### Supplier of the Year

Distribution - Viatrix Health - Blackmores  
 Optical - Carl Zeiss  
 Beauty - Sapphire Group

### Supplier Recognition

Distribution - Generic Health  
 Optical - Rim Optics  
 Beauty - Puig



**Trisha Rogers**  
Carl Zeiss



**Elise Cook**  
Generic Health



**Esther Dewey**  
Sapphire Group



**Phong Huynh**  
Arrotex Pharmaceuticals

**National  
Pharmacies  
would like to  
congratulate  
all winners  
and finalists  
for 2024.**



**Ruth Robinson**  
Clarins



**Peter McIntyre & Tania Bishop**  
McPherson's Consumer Products



**Aysha Khan**  
Blackmores



**Brad Newland & Philip Crabtree**  
VMD Eyewear



**Thomas Mittiga &  
Antonette Shadiac** Puig



**Raheel Pears & Charbel Azzi**  
Viartis

# Our Executive Leadership Team



**Mark Smith**  
Chief Executive Officer



**Kimberley Bolton**  
General Manager Member  
& Customer Experience



**Brigid Hughes**  
Chief Financial Officer



**Sarah James**  
General Manager  
Operations



**Sam Laing**  
General Manager  
Health Services



**Jeri Tsoukalas**  
General Manager  
People & Technology



**Jennifer Taylor**  
Company Secretary



# Directors' Report

for the 52 Week Period Ended 29 June 2025

The Directors of Friendly Society Medical Association Limited ("FSMA" or "The Company") and its controlled entities (the Group) submit herewith their report, together with the annual financial report for the 52 week financial period ended 29 June 2025 (2024: 52 week period ended 30 June 2024) and the Independent Auditor's Report thereon. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

All Directors are members of Friendly Society Medical Association Limited.

The names and particulars of the Directors of the Company during or since the end of the financial period are:

Name	Particulars
	<p><b>Experience and Expertise</b></p> <p>Ms Carr is an experienced non-executive director and chair with extensive executive, commercial, management, compliance and governance expertise acquired over 35 years with Australian and international organisations in a range of sectors. She joined the Board of FSMA on 23 September 2013 and was appointed Chairman on 26 March 2018.</p> <p><b>Current and Former Directorships in the last three years</b></p> <p>Ms Carr is the Chancellor of the new Adelaide University Transition Council. She is also a non-executive director of ASX listed companies, Highfield Resources Limited and Australian Rare Earths Limited and chairs their Audit and Risk Committees and their Remuneration and Nomination Committees.</p> <p><b>Responsibilities</b></p> <p>Ms Carr is a member of the People, Culture and Rewards Committee.</p>
	<p><b>Experience and Expertise</b></p> <p>Mr Connor is a Management Consultant and founding Director of VUCA Pty Ltd. He joined the Board on 29 March 2010 as a non-executive Director and was appointed Deputy Chairman on 26 March 2018. He has extensive experience in Mutual Organisations, Financial Services, Corporate Governance and Human Resource Management.</p> <p><b>Current and Former Directorships in the last three years</b></p> <p>Current Chairman of Auburn &amp; Lidcombe United Friendly Society Pharmacy Board Limited and a Director of VUCA Pty Ltd.</p> <p>Formerly Chairman of Abacus Australian Mutuals, Deputy Chairman of Bedford Industries and a Director of AIM SA.</p> <p><b>Responsibilities</b></p> <p>Mr Connor is a member of the Audit and Risk Committee and the People, Culture and Rewards Committee.</p>

**Pauline Carr**  
**Non Executive Chairman**  
 BEc, MBA, FAICD,  
 FGIA FCG (CS,CGP)

**Gregory Connor**  
 BEd, SF Fin,  
 FAICD,  
 Life Member and  
 FAIM

Name	Particulars
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**Richard England**  
FCA, MAICD

#### Experience and Expertise

Mr England is an experienced non-executive director and chair of both listed and unlisted companies encompassing healthcare, major infrastructure, innovation, agribusiness, banking and insurance.

Mr England joined the Board on 1 January 2020.

#### Current and Former Directorships in the last three years

Mr England is currently, Chairman of Hobart International Airport Pty Ltd and a Director of Gardior Pty Ltd, Tasmanian Symphony Orchestra and Agency Projects Limited.

His former directorships include Japara Healthcare Limited, Bingo Industries Limited, Nanosonics Limited, QANTM Intellectual Property Limited, HBF Health Limited and Indigenous Art Code Limited.

#### Responsibilities

Mr England is Chairman of the Audit and Risk Committee and a member of the People, Culture and Rewards Committee.



**Linda Heron**  
GAICD, MAHRI,  
MContempLdship

#### Experience and Expertise

Mrs Heron has over 20 years' experience as a non-executive director across the private and public sectors.

Mrs Heron is currently Interim Board Secretary at Goulburn Ovens TAFE and has held several other senior executive roles, including Interim Executive Director of People and Culture at Goulburn Ovens TAFE, Interim Director People and Culture at Flinders University, Interim Director at St Kevin's College and managing the Human Resources, Corporate Governance and Legal Counsel functions at Melbourne Water. She also has extensive retail experience including leading large operational teams in the Coles Supermarket business and establishing and leading the Organisational Development function within the corporate Human Resources division of ColesMyer.

She joined FSMA on 29 March 2010 as a Non-Executive Director.

#### Current and Former Directorships in the last three years

Mrs Heron is the Director of Heron Human Resources, a business she established to provide expert advice to businesses on strategic Human Resources issues including change management, leadership and talent development.

She was previously a non-executive Director of the Army and Airforce Canteen Service and Chairman of its Audit Committee.

#### Responsibilities

Mrs Heron is Chairman of the People, Culture and Rewards Committee and a member of the Audit and Risk Committee.

#### Company Secretary

The name and particulars of the Company Secretary are:

Name	Particulars
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**Jennifer Taylor**  
GIA(Affiliated)

Appointed Company Secretary on 10 April 2017.

## Principal Activities and Changes

The Group's principal activities during the course of the financial period were those of Retail Community Pharmacy, Community Service Obligation (CSO) Wholesaler and Optical Dispenser. During or since the financial period there were no significant changes to the principal activities of the Group.

## Review of Operations

In the year to 29 June 2025 the Group made significant strides in delivering accessible, community-focused healthcare, underpinned by innovation and resilience despite the external challenges – including the cost-of-living crisis, regulatory changes such as 60-day dispensing and the conclusion of the Bupa Pharmacy Saver partnership. The Group refined the membership offering, introduced new optical dispensing software, enhanced fulfilment systems, and improved supply chain and retail processes. Strategic investments included relocating our Glenelg optical service to a flagship site on Jetty Road and refreshing the Maryborough store in Victoria.

Revenue during 2024/2025 was \$304.6 million which was a 4.1% increase on the prior year. However, the profit of the Group was impacted by an increase in costs and operating expenses. This was largely driven by surging operating costs, such as electricity, and increased software licence fees from investment in technology.

Reported underlying earnings was a loss of \$2.0 million with corresponding EBIT profit of \$2.6 million and EBITDA profit of \$13.4 million. Benefits to members over this period were \$24.1 million.

The carrying value of goodwill and intangible assets takes into consideration the future profitability of individual pharmacies. The basis for the calculation this period included the expectation that over the five-year forecasted period we will realise growth in prescription numbers, and retail and optical sales. The result is that no impairment is required to reduce the carrying value of Goodwill and Intangible Assets held on the Statement of Financial Position as at 29 June 2025 (2024: \$0).

The factors outlined above influenced this period's reported net profit after tax, which was a loss of \$2.0 million (2024: loss of \$5.5 million).

## Issued Capital

The Company is limited by Shares and Guarantee. At 29 June 2025 and at 30 June 2024, the Company had no issued shares.

The Company is limited by a guarantee of \$1 per member. At 29 June 2025, the Company had 99,105 Memberships (2024: 142,634).

## Changes in State of Affairs

There was no significant change in the state of affairs of the Group during the financial year.

## Subsequent Events

On 30 June 2025, the Group entered into a new banking agreement with its existing lender. The new facility and the changes to the existing facilities are outlined as follows:

- The existing Corporate Markets Loan limit was increased to \$6 million from \$2.8 million as at 29 June 2025 expiring on 30 June 2028 with monthly repayments of \$33,333. The loan can be paid down and redrawn at any time.
- The term of the existing \$1.5 million Corporate Market Loan was extended to 30 June 2028 with monthly repayments of \$22,225.
- The bank guarantee facility of \$1.8 million remains in place.
- The security and bank covenants remain unchanged.
- All the other components of the existing facilities and General Security Agreement remain in place.

## Subsequent Events (cont'd)

The following changes in Key Management Personnel occurred after 29 June 2025:

- Mr Vito Borrello's contract as Chief Executive Officer concluded effective 5 July 2025.
- Mr Mark Smith was appointed Chief Executive Officer effective 28 July 2025.
- Mr Rob Quinton resigned as General Manager Finance effective 10 August 2025.
- Ms Brigid Hughes was appointed Chief Financial Officer effective 25 August 2025.

Other than the events disclosed above, there have been no events subsequent to the reporting date which would have a material impact on the Group's 29 June 2025 financial statements.

## Future Developments

Despite the current economic challenges, such as inflationary pressures, and the fluctuations in the retail market, the Company is well positioned to navigate the economic landscape and achieve sustainable growth by leveraging the expertise of its leadership team and implementing more member focused strategies.

## Indemnification of Officers and Auditors

During the financial period the Company paid a premium in respect of a contract insuring the Directors of the Company (as named above), the Company Secretary, Ms J Taylor, and all executive officers of the Company and any related body corporate against a liability incurred as such a Director, Secretary or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability cover and the amount of the premium.

The Company has not otherwise, during or since the financial period, indemnified or agreed to indemnify an officer (other than Directors) or auditor of the Company or of any related body corporate against a liability incurred as such an officer or auditor.

## Auditor's Independence Declaration

The auditor's independence declaration is made on page 36 and forms part of this Directors' Report.

## Rounding Off of Amounts

The Company is a company of the kind referred to in ASIC Corporations Instrument 2016/191 and in accordance with that Instrument amounts in the Directors' Report and the Financial Report are rounded off to the nearest thousand dollars, unless otherwise stated.

## Directors' Meetings

The following table sets out the number of directors' meetings (including meetings of committees of directors) held during the financial period and the number of meetings attended by each director (whilst in their capacity as a director or committee member). During the financial period, 11 Board meetings, 3 Audit and Risk Committee meetings and 2 People, Culture and Rewards Committee meetings were held.

Directors	Board of Directors		Audit and Risk Committee		People, Culture and Rewards Committee	
	Held	Attended	Held	Attended	Held	Attended
P F Carr	11	11	3	#3	2	2
G J Connor	11	11	3	3	2	2
R A F England	11	11	3	3	2	2
L M Heron	11	11	3	3	2	2

#Indicates ex officio attendance at a Committee meeting

Signed in accordance with a resolution of the Directors made pursuant to section 298(2) of the Corporations Act 2001.

On behalf of the Directors



P F Carr  
Chairman



R A F England  
Director

Adelaide, 29 September 2025



## Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

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To the Directors of Friendly Society Medical Association Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Friendly Society Medical Association Limited for the 52-week period ended 29 June 2025 there have been:

- I. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- II. no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink that reads 'KPMG'.

KPMG

A handwritten signature in black ink, appearing to be 'Darren Ball'.

Darren Ball  
Partner

Adelaide  
29 September 2025

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## Independent Auditor's Report

To the members of Friendly Society Medical Association Limited

### Opinion

We have audited the **Financial Report** of Friendly Society Medical Association Limited (the Company).

In our opinion, the accompanying Financial Report of the Company gives a true and fair view, including of the **Group's** financial position as at 29 June 2025 and of its financial performance for the 52-week period then ended, in accordance with the *Corporations Act 2001*, in compliance with *Australian Accounting Standards - Simplified Disclosures* and the *Corporations Regulations 2001*.

The **Financial Report** comprises:

- Consolidated Statement of Financial Position as at 29 June 2025.
- Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the period then ended;
- Consolidated Entity Disclosure Statement and accompanying basis of preparation as at 29 June 2025.
- Notes, including material accounting policies; and
- Directors Declaration.

The **Group** consists of the Company and the entities it controlled at the period end or from time to time during the financial year.

### Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 Group in accordance with 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 (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

### Other Information

Other Information is financial and non-financial information in Friendly Society Medical Association Limited's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

The Other Information we obtained prior to the date of this Auditor's Report was the Director's Report.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we 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.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.



### Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and in compliance with *Australian Accounting Standards - Simplified Disclosures* and the *Corporations Regulations 2001*.
- implementing necessary internal control to enable the preparation of a Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and that is free from material misstatement, whether due to fraud or error.
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: [https://www.auasb.gov.au/media/apzlw0y/ar3\\_2024.pdf](https://www.auasb.gov.au/media/apzlw0y/ar3_2024.pdf). This description forms part of our Auditor's Report.

KPMG

Darren Ball

*Partner*

Adelaide

29 September 2025

# Directors' Declaration

In the opinion of the Directors of Friendly Society Medical Association Limited (the Company):


- a. the Company is not publicly accountable;
- b. the consolidated financial statements and notes that are set out on pages 40 to 71 are in accordance with the Corporations Act 2001, including:
  - i. giving a true and fair view of the financial position of the Group as at 29 June 2025 and of its performance for the financial period ended on that date; and
  - ii. complying with Australian Accounting Standards – Simplified Disclosure Requirements and the Corporations Regulations 2001; and
- c. the Consolidated Entity Disclosure Statement as at 29 June 2025 is true and correct; and
- d. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors made pursuant to section 295(5) of the Corporations Act 2001.

On behalf of the Directors



P F Carr  
Chairman



R A F England  
Director

Adelaide, 29 September 2025

## FRIENDLY SOCIETY MEDICAL ASSOCIATION LIMITED

**Consolidated Statement of Profit or Loss and Other Comprehensive Income  
for the 52 Week Period Ended 29 June 2025**

	Note	2025 \$'000	2024 \$'000
Revenue	4(a)	304,614	292,541
Other income	4(b)	360	-
Finance costs	4(b)	(4,664)	(4,827)
Other expenses	4(b)	(302,340)	(293,549)
<b>Profit/(Loss) before income tax (expense) / benefit</b>		<b>(2,030)</b>	<b>(5,835)</b>
Income tax (expense) / benefit	5(a)	31	344
<b>Profit/(Loss) for the period</b>		<b>(1,999)</b>	<b>(5,491)</b>
<b>Other comprehensive income, net of income tax</b>			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
(Loss)/Gain on property revaluation		(1)	1,011
Income tax on items taken directly to or transferred from equity		(31)	(344)
Other comprehensive (loss)/gain for the period		(32)	667
<b>Total comprehensive profit/(loss) for the period</b>		<b>(2,031)</b>	<b>(4,824)</b>

Notes to the financial statements are included as pages 44 to 70.

## FRIENDLY SOCIETY MEDICAL ASSOCIATION LIMITED

## Consolidated Statement of Financial Position as at 29 June 2025

	Note	2025 \$'000	2024 \$'000
<b>Current Assets</b>			
Cash and cash equivalents	22(a)	2,630	1,512
Trade and other receivables	7	6,885	6,074
Inventories	8	39,914	41,864
Prepayments		2,312	2,392
<b>Total Current Assets</b>		<b>51,741</b>	<b>51,842</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	9	99,543	103,500
Goodwill	10	5,712	5,712
Other intangible assets	11	4,024	4,267
<b>Total Non-Current Assets</b>		<b>109,279</b>	<b>113,479</b>
<b>Total Assets</b>		<b>161,020</b>	<b>165,321</b>
<b>Current Liabilities</b>			
Bank overdraft	22(a)	-	9,090
Trade and other payables	12	37,120	28,155
Borrowings	15	6,317	11,377
Other financial liabilities	13	23	23
Provisions	14	8,041	8,142
<b>Total Current Liabilities</b>		<b>51,501</b>	<b>56,787</b>
<b>Non-Current Liabilities</b>			
Borrowings	15	53,767	50,998
Provisions	14	2,477	2,230
<b>Total Non-Current Liabilities</b>		<b>56,244</b>	<b>53,228</b>
<b>Total Liabilities</b>		<b>107,745</b>	<b>110,015</b>
<b>Net Assets</b>		<b>53,275</b>	<b>55,306</b>
<b>Equity</b>			
Issued capital	16	-	-
Asset Revaluation Reserves	17	12,025	12,057
Retained earnings		41,250	43,249
<b>Total Equity</b>		<b>53,275</b>	<b>55,306</b>

Notes to the financial statements are included as pages 44 to 70.

## FRIENDLY SOCIETY MEDICAL ASSOCIATION LIMITED

Consolidated Statement of Changes in Equity  
for the 52 Week Period Ended 29 June 2025

	Fully paid ordinary shares \$'000	Asset Revaluation Reserve \$'000	Retained Earnings \$'000	Total \$'000
Balance at 2 July 2023	-	11,390	48,740	60,130
Loss for the period	-	-	(5,491)	(5,491)
Other comprehensive income for the period:				
Gain on property revaluation	-	1,011	-	1,011
Tax consequences	-	(344)	-	(344)
Total comprehensive (loss)/income for the period		667	(5,491)	(4,824)
<b>Balance at 30 June 2024</b>	<b>-</b>	<b>12,057</b>	<b>43,249</b>	<b>55,306</b>
Balance at 30 June 2024	-	12,057	43,249	55,306
Loss for the period	-	-	(1,999)	(1,999)
Other comprehensive income for the period:				
Gain on property revaluation	-	(1)	-	(1)
Tax consequences	-	(31)	-	(31)
Total comprehensive (loss)/income for the period		(32)	(1,999)	(2,031)
<b>Balance at 29 June 2025</b>	<b>-</b>	<b>12,025</b>	<b>41,250</b>	<b>53,275</b>

Notes to the financial statements are included as pages 44 to 70.

## FRIENDLY SOCIETY MEDICAL ASSOCIATION LIMITED

### Consolidated Statement of Cash Flows for the 52 Week Period Ended 29 June 2025

	Note	Inflows/ (Outflows)	
		2025 \$'000	2024 \$'000
<b>Cash Flows from Operating Activities</b>			
Receipts from customers		307,342	293,801
Payments to suppliers and employees		(290,054)	(289,865)
Member contributions received		6,141	7,301
Interest paid	4(b)	(528)	(389)
<b>Net Cash from Operating Activities</b>		<b>22,901</b>	<b>10,848</b>
<b>Cash Flows from Investing Activities</b>			
Payments for property, plant and equipment and intangible assets		(4,912)	(6,254)
Interest received		13	46
<b>Net Cash from/(used in) Investing Activities</b>		<b>(4,899)</b>	<b>(6,208)</b>
<b>Cash Flows Used in Financing Activities</b>			
Proceeds from borrowings		2,775	-
Repayment of borrowings		(492)	(267)
Payment of lease liabilities	20(c)	(10,077)	(9,401)
<b>Net Cash used in Financing Activities</b>		<b>(7,794)</b>	<b>(9,668)</b>
<b>Increase/(decrease) in cash and cash equivalents held Cash and cash equivalents at the beginning of the Financial Period</b>		<b>10,208</b>	<b>(5,028)</b>
		<b>(7,578)</b>	<b>(2,550)</b>
<b>Cash and cash equivalents / (bank overdraft) at the end of the Financial Period</b>	22(a)	<b>2,630</b>	<b>(7,578)</b>

Notes to the financial statements are included as pages 44 to 70.

## FRIENDLY SOCIETY MEDICAL ASSOCIATION LIMITED

## Notes to the Financial Statements for the 52 Week Period Ended 29 June 2025

### 1. Additional Information

Friendly Society Medical Association Limited (the Company) is a public company, incorporated and operating in Australia.

#### Registered office and principal place of business

52 Gawler Place  
Adelaide SA 5000

### 2. Adoption of New and Revised Accounting Standards

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current reporting period. Refer to Note 3 (iii) for details of changes in accounting policies.

Various other Standards and Interpretations were on issue but were not yet effective at the date of authorisation of the financial report. The issue of these Standards and Interpretations does not affect the Group's present policies and operations. The directors anticipate that the adoption of these Standards and Interpretations in future periods will not materially affect the amounts recognised in the financial statements of the Group but may change the disclosure presently made in the financial statements of the Group.

Amendments to IFRS 16 *Leases* on sale-and-leaseback transactions are effective for annual reporting periods beginning on or after 1 January 2024. The amendments introduce a revised accounting model for variable lease payments and require seller-lessees to reassess and potentially restate sale-and-leaseback transactions entered into since 2019. The Group has assessed the impact of these amendments was immaterial for the period ended 29 June 2025.

#### Standards issued by not yet effective

AASB 18 will replace AASB 101 Presentation of Financial Statements and applies for annual reporting periods beginning on or after 1 January 2027. The new standard introduces the following key new requirements:

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing and financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method. The Group is still in the process of assessing the impact of the new standard, particularly with respect to the structure of the Group's statement of profit or loss, the statement of cash flows and the additional disclosures required by MPMs. The Group is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as 'other'.

## FRIENDLY SOCIETY MEDICAL ASSOCIATION LIMITED

**Notes to the Financial Statements  
for the 52 Week Period Ended 29 June 2025****3. Summary of Accounting Policies***(i) Statement of Compliance*

The financial report is a general purpose financial report comprising the Company and its subsidiaries (together referred to as the Group) for distribution to the members and for the purpose of fulfilling the requirements of the *Corporations Act 2001*. They have been prepared in accordance with Australian Accounting Standards - Simplified Disclosures made by the Australian Accounting Standards Board and the *Corporations Act 2001*.

The financial report comprises the consolidated financial statements of the Group. For the purposes of preparing the consolidated financial statements, the Company is a not-for-profit entity.

The financial statements were authorised for issue by the directors on 29 September 2025.

*(ii) Basis of Preparation*

The financial year end for the Group is 29 June 2025 and comprises 52 weeks (2024: 30 June 2024 and comprising 52 weeks).

The financial report has been prepared on the basis of historical cost, except for the revaluation of freehold land and buildings. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The Company is a company of the kind referred to in ASIC Corporations (Rounding in Financial / Directors Reports) Instrument 2016/191, and in accordance with the Instrument amounts in the financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

In the application of the Group's accounting policies, as set out below, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Determining whether goodwill is impaired requires an estimation of the higher of fair value less costs to sell or the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset the Group takes into account the characteristics of the asset if market participants would take those characteristics into account when pricing the asset at the measurement date.

The carrying amount of goodwill at 29 June 2025 was \$5,712,000 (30 June 2024 was \$5,712,000). Nil impairment loss was recognised during 2025 (2024: Nil).

## FRIENDLY SOCIETY MEDICAL ASSOCIATION LIMITED

## Notes to the Financial Statements for the 52 Week Period Ended 29 June 2025

### 3. Summary of Accounting Policies (cont'd)

#### Going Concern

The Group consolidated financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business. The Group recorded a loss before tax of \$2,030,000 (2024: \$5,835,000). On 30 June 2025, the Group entered into new agreement for banking facilities which included an extension to the expiry date of the bank overdraft facility to 30 June 2026 and the secured bank loan facility was increased to \$6 million from \$2.8 million expiring on 30 June 2028 – refer to Note 27 for a summary of the changes to the funding agreement.

The Directors have approved a cash flow forecast prepared by the management for the twelve-month period from the date of signing this financial report which indicates that the Group has sufficient funds to meet the Company's minimum ongoing operating commitments. These forecasts assume that the overdraft facility will be available beyond 30 June 2026. The Directors do not currently see any impediment in achieving forecast, meeting existing covenants and extending the Group's facility beyond 30 June 2026. Should the Group be unable to refinance amounts outstanding at this date, additional funds are able to be realised by selling assets without detriment to the ongoing financial viability of the Group.

Based on the cashflow forecasts, the Directors are of the opinion that the Group is able to meet its obligations as they fall due for at least twelve months from the date of signing this financial report and that the going concern basis is appropriate.

#### (iii) *Changes in Material Accounting Policies from 2024*

##### *Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants*

The Group has adopted amendments to AASB 1060 relating to *Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants* from 1 July 2024. The amendments apply retrospectively. They clarify certain requirements for determining whether a liability should be classified as current or non-current and require new disclosures for non-current loan liabilities that are subject to covenants within 12 months after the reporting period. The adoption of these amendments did not have a material impact on the financial statements for the current or prior reporting periods.

#### (iv) *Material Accounting Policies*

The following material accounting policies have been adopted in the preparation and presentation of the financial report:

##### (a) *Trade and Other Payables*

Trade and other accounts payable are initially recognised at fair value and subsequently measured at amortised cost and are recognised when the Group becomes obliged to make future payments resulting from the purchase of goods and services.

## FRIENDLY SOCIETY MEDICAL ASSOCIATION LIMITED

## Notes to the Financial Statements for the 52 Week Period Ended 29 June 2025

### 3. Summary of Accounting Policies (cont'd)

#### (b) Property Plant and Equipment

Land and buildings are measured at fair value. Fair value is determined on the basis of an annual independent valuation prepared by external valuation experts, based on discounted cash flows or capitalisation of net income (as appropriate). The fair values are recognised in the financial statements of the Group, and are reviewed at the end of each reporting period to ensure that the carrying value of land and buildings is not materially different from their fair values.

Any revaluation increase arising on the revaluation of land and buildings is credited to the asset revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense in profit or loss, in which case the increase is credited to the Consolidated Statement of Profit or Loss and Other Comprehensive Income to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation of land and buildings is charged as an expense in profit or loss to the extent that it exceeds the balance, if any, held in the asset revaluation reserve relating to a previous revaluation of that asset.

Depreciation on revalued buildings is charged to profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the asset revaluation reserve, net of any related deferred taxes, is transferred directly to retained earnings.

Plant and equipment and leasehold improvements 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 but excluding land. Depreciation is calculated on a straight line basis or by diminishing value method, so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

The following estimated useful lives are used in the calculation of depreciation for the current and comparative period are as follows:

- |                          |              |
|--------------------------|--------------|
| • Buildings              | 30 years     |
| • Leasehold improvements | 2-15 years   |
| • Plant and equipment    | 2.5-33 years |

**FRIENDLY SOCIETY MEDICAL ASSOCIATION LIMITED**

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**Notes to the Financial Statements  
for the 52 Week Period Ended 29 June 2025**

**3. Summary of Accounting Policies (cont'd)**

*(c) Cash and Cash Equivalents*

Cash and cash equivalents comprise cash on hand, cash in banks and investments in money market instruments. Bank overdrafts are shown separately in current liabilities in the statement of financial position.

*(d) Employee Benefits*

Provision is made for benefits accruing to employees in respect of wages and salaries, time in lieu, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Provisions made in respect of 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 Group in respect of services provided by employees up to reporting date.

Contributions to accumulated benefit superannuation benefit plans are expensed when incurred.

*(e) Goods and Services Tax*

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- ii. for receivables and payables, which are recognised inclusive of GST.

The net amount of GST recoverable from the taxation authority is included as part of receivables.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financial activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

*(f) Goodwill*

Under AASB 136 *Impairment of Assets*, goodwill and intangible assets with indefinite useful lives must be tested annually for impairment.

Goodwill acquired in a business combination is initially measured at its cost, being the excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. Goodwill is subsequently measured at its cost less any impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units (CGUs) expected to benefit from the synergies of the business combination. CGUs to which goodwill has been allocated are tested for impairment annually.

The recoverable amount of the CGU at 29 June 2025 was determined based on a value in use calculation. Value in use was determined using cash flow projections based on financial forecasts approved by the Board.

## FRIENDLY SOCIETY MEDICAL ASSOCIATION LIMITED

## Notes to the Financial Statements for the 52 Week Period Ended 29 June 2025

### 3. Summary of Accounting Policies (cont'd)

#### (g) *Income Tax*

##### 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 statement of financial position 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 liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with these investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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 and assets reflects the tax consequences that would follow from the manner in which the Group 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 Group intends to settle its current tax assets and liabilities on a net basis.

##### Current and deferred tax for the period

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items that are recognised outside profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is included in the accounting for the business combination.

#### (h) *Debt and Equity Instruments*

##### Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

#### (i) *Inventories*

Inventories on hand consist of finished goods. Inventories are valued at the lower of cost and net realisable value. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

## FRIENDLY SOCIETY MEDICAL ASSOCIATION LIMITED

## Notes to the Financial Statements for the 52 Week Period Ended 29 June 2025

### 3. Summary of Accounting Policies (cont'd)

#### (j) Leased Assets

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in AASB 16.

#### (i) As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments; and
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured where there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

#### *Short-term leases and leases of low-value assets*

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

## FRIENDLY SOCIETY MEDICAL ASSOCIATION LIMITED

**Notes to the Financial Statements  
for the 52 Week Period Ended 29 June 2025****3. Summary of Accounting Policies (cont'd)***(k) Principles of Consolidation*

The consolidated financial statements incorporate the financial statements of the Company and entities (including special purpose entities) controlled by the Company (its subsidiaries) (referred to as 'the Group' in these financial statements). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the period are included in the Consolidated Statement of Profit or Loss and Other Comprehensive Income from the effective date of acquisition or up to the effective date of disposal as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

*(l) Provisions*

Provisions are recognised when the Group has a present obligation, the future sacrifice of economic benefits is probable and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

*(m) Impairment of Non-financial Assets*

At each reporting date, the Group 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 Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Goodwill and other intangible assets with indefinite useful lives are tested for impairment annually and whenever there is an indication that the asset may be impaired. Any impairment of goodwill is not subsequently reversed.

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 periods. 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 (refer Note 3(iv)(b)).

FRIENDLY SOCIETY MEDICAL ASSOCIATION LIMITED

**Notes to the Financial Statements  
for the 52 Week Period Ended 29 June 2025**

**3. Summary of Accounting Policies (cont'd)**

*(n) Revenue Recognition*

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Sale of goods

Revenue from sale of goods is recognised when the performance obligations are satisfied as follows:

- the Group has transferred to the buyer control of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract. The stage of completion of the contract is determined as follows:

- servicing fees included in the price of products sold are recognised by reference to the proportion of the total cost of providing the servicing for the product sold, taking into account historical trends in the number of services actually provided on past goods sold; and
- revenue from time and material contracts is recognised at the contractual rates as labour hours are delivered and direct expenses are incurred.

Interest revenue

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Rental income

Revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease.

Contributions

Revenue from members' contributions is recognised on an accrual basis.

*(o) Financial Instruments*

*(i) Recognition and initial measurement*

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

*(ii) Classification and subsequent measurement*

On initial recognition, a financial asset is classified as measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- 1) it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- 2) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

## FRIENDLY SOCIETY MEDICAL ASSOCIATION LIMITED

## Notes to the Financial Statements for the 52 Week Period Ended 29 June 2025

### 3. Summary of Accounting Policies (cont'd)

#### (o) Financial Instruments (cont'd)

Trade receivables are to be settled within agreed trading terms, typically less than 60 days, and are initially recognised at fair value and then subsequently at amortised cost, less any expected credit loss allowances. Under the “expected credit loss” model, the allowance for credit losses is calculated by considering on a discounted basis the cash shortfalls it would incur in various default scenarios for prescribed future periods and multiplying the shortfalls by the probability weighted outcomes. Significant receivables are individually assessed. Non-significant receivables are not individually assessed; instead, credit loss testing is performed by considering the risk profile of that group of receivables. All allowances for credit losses are recognised in the profit and loss.

Financial assets that are subject to credit risk are assigned to one of three stages and could be reassigned based on changes in asset quality:

- Stage 1 are performing and/or newly originated assets. Provisions for financial assets in stage 1 are established to provide for ECL for a period of 12 months;
- Stage 2 includes financial assets that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment. For these assets, lifetime ECL are recognised;
- Stage 3 includes financial assets that have objective evidence of impairment at the reporting date. For these assets, lifetime ECL are recognised.

#### (p) Intangible Assets

##### Intangible assets acquired separately

Intangible assets acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

##### Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are measured at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

#### (q) Business Combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of their fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). All other subsequent changes in the fair value of contingent consideration classified as an asset or liability are accounted for in accordance with relevant Standards. Changes in the fair value of contingent consideration classified as equity are not recognised.

## FRIENDLY SOCIETY MEDICAL ASSOCIATION LIMITED

**Notes to the Financial Statements  
for the 52 Week Period Ended 29 June 2025****3. Summary of Accounting Policies (cont'd)***(q) Business Combinations (cont'd)*

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, in any, is recognised in profit or loss. Amounts arising from interest in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under AASB 3 (2008) are recognised at their fair value at the acquisition date, except that assets (or disposal groups) that are classified as held for sale in accordance with AASB 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date – and is subject to a maximum of one year.

## FRIENDLY SOCIETY MEDICAL ASSOCIATION LIMITED

**Notes to the Financial Statements  
for the 52 Week Period Ended 29 June 2025**

**4. Profit from Operations**

	2025 \$'000	2024 \$'000
<b>(a) Revenue</b>		
Revenue from continuing operations consisted of the following items:		
Revenue from the sale of goods	267,207	252,072
Revenue from the rendering of services	28,644	29,402
Member contributions	4,612	7,299
Rental revenue	467	460
Interest revenue:		
Bank deposits	13	46
Other revenue	3,671	3,262
	304,614	292,541
<b>(b) Profit/(Loss) before income tax</b>		
Profit/(Loss) before income tax has been arrived at after crediting the following gains:		
Other Income:		
Gain on property revaluations recognised through profit or loss	338	-
Gain on disposal of property, plant and equipment	22	-
	360	-
Finance costs:		
Interest on bank loan	528	389
Lease interest expense	4,136	4,438
	4,664	4,827

## FRIENDLY SOCIETY MEDICAL ASSOCIATION LIMITED

**Notes to the Financial Statements  
for the 52 Week Period Ended 29 June 2025**

**4. Profit from Operations (cont'd)**

	2025	2024
	\$'000	\$'000
<b>(b) Profit/(Loss) before income tax (cont'd)</b>		
Other expenses:		
Cost of sales	211,782	204,631
Retail expenses	47,950	46,807
Administration expenses	18,341	18,553
Occupancy expenses	19,036	17,777
Marketing expenses	4,988	4,921
Loss on property revaluations recognised through profit or loss	-	143
Loss on disposal of property, plant and equipment	-	92
Other expenses	243	625
	<u>302,340</u>	<u>293,549</u>
Employee benefit expense:		
Wages and salaries	49,298	49,283
Contributions to superannuation funds	5,872	5,479
Increase / (Decrease) in employee benefits provision	160	9
	<u>55,330</u>	<u>54,771</u>
Depreciation of non-current assets	10,557	10,253
Impairment of non current assets	-	-
Amortisation of customer lists	243	625

## FRIENDLY SOCIETY MEDICAL ASSOCIATION LIMITED

**Notes to the Financial Statements  
for the 52 Week Period Ended 29 June 2025**

**5. Income Taxes**

	2025 \$'000	2024 \$'000
<b>(a) Income tax recognised in profit or loss</b>		
<b>Tax expense/(income) comprises:</b>		
Current and deferred tax expense/(benefit) relating to the origination and reversal of temporary differences and tax losses	(31)	(344)
Total tax expense/(benefit)	(31)	(344)
The prima facie income tax expense/(benefit) on pre-tax accounting loss from operations reconciles to the income tax expense/(income) in the financial statements as follows:		
Loss before income tax	(2,030)	(5,835)
Income tax revenue calculated at 30% (2024: 30%)	(609)	(1,751)
Non-deductible expenses – other	525	1,382
Non-deductible expenses – non current assets impairment and amortisation	73	188
Non assessable income and other deductible expenses	(323)	(381)
Prior year derecognition of revenue and capital losses	303	218
Income tax expense/(benefit)	(31)	(344)

The tax rate used in the above reconciliation is the corporate tax rate of 30% (2024: 30%) payable by Australian corporate entities on taxable profits under Australian tax law. There has been no change in the corporate tax rate when compared with the previous reporting period.

## FRIENDLY SOCIETY MEDICAL ASSOCIATION LIMITED

### Notes to the Financial Statements for the 52 Week Period Ended 29 June 2025

#### 5. Income Taxes (con't)

	2025 \$'000	2024 \$'000
<b>(b) Recognised deferred tax asset</b>		
The deferred tax asset is attributable to the following:		
Trade and other receivables	3	3
Inventories	22	22
Property, plant and equipment	(2,602)	(3,364)
Intangible assets	(1,207)	(1,280)
AASB 16 - Lease Asset	(7,528)	(8,207)
AASB 16 - Lease Liability and make-good provision	9,676	10,189
Trade and other payables	85	73
Employee benefits	1,293	1,261
Other items	42	45
Net deferred tax liability on temporary differences	<u>(216)</u>	<u>(1,258)</u>
Tax losses:		
Revenue	5,739	6,478
Capital	2,489	2,489
Total deferred tax on tax losses	<u>8,228</u>	<u>8,967</u>
Total temporary differences on tax losses	<u>8,012</u>	<u>7,709</u>
Revenue losses not recognised	(5,523)	(5,220)
Capital losses not recognised	<u>(2,489)</u>	<u>(2,489)</u>
Net deferred tax asset	<u>-</u>	<u>-</u>
<b>(c) Movement in deferred tax asset</b>		
Opening balance	-	-
Recognised in income	31	344
Recognised in equity (property)	<u>(31)</u>	<u>(344)</u>
Closing balance	<u>-</u>	<u>-</u>

#### 6. Key Management Personnel Remuneration

	2025 \$	2024 \$
Compensation to directors and other members of Key Management Personnel of the Company and the Group	<u>2,799,300</u>	<u>2,725,586</u>

Key management personnel compensation comprised short term employee benefits, post-employment benefits, other long term benefits and termination benefits.

## FRIENDLY SOCIETY MEDICAL ASSOCIATION LIMITED

**Notes to the Financial Statements  
for the 52 Week Period Ended 29 June 2025**

**7. Trade and Other Receivables**

	2025 \$'000	2024 \$'000
<b>Current</b>		
Trade receivables (i)	5,677	4,734
Allowance for doubtful debts	(15)	(15)
	5,662	4,719
Net GST receivable from Australian Taxation Office	1,223	1,355
	<b>6,885</b>	<b>6,074</b>
<u>Movement in the allowance for doubtful debts</u>		
Balance at the beginning of the period	15	15
Amounts written off as uncollectable	-	-
	15	15

- (i) The average credit period of sales of goods and rendering of services is 30 days (2024: 30 days). No interest is charged on the trade receivables. An allowance has been made for estimated irrecoverable trade receivable amounts arising from the past sale of goods and rendering of services, determined by reference to past default experience.

**8. Current Inventories**

	2025 \$'000	2024 \$'000
Inventories at cost	40,051	42,001
Provision	(137)	(137)
Total Closing Inventories	<b>39,914</b>	<b>41,864</b>

The amount of inventories recognised as an expenses during the period and included in "Cost of Sales" was \$212,858,000 (2024: \$203,850,000)

## FRIENDLY SOCIETY MEDICAL ASSOCIATION LIMITED

### Notes to the Financial Statements for the 52 Week Period Ended 29 June 2025

#### 9. Non-Current Property, Plant and Equipment

	Freehold Land and Buildings at fair value \$'000 (i)	Right-of-use Property at cost \$'000	Leasehold Improvements at cost \$'000	Plant and Equipment at cost \$'000	Total \$'000
<b>Gross carrying amount</b>					
Balance at 3 July 2023	37,671	70,092	11,832	61,966	181,561
Additions	270	4,965	1,584	4,400	11,219
Lease Modifications	-	(3,235)	-	-	(3,235)
Disposals	-	(241)	-	(1,016)	(1,257)
Assets held for Sale	-	-	-	-	-
Net revaluation increments/(decrements)	868	-	-	-	868
Balance at 30 June 2024	38,809	71,581	13,416	65,350	189,156
Additions	341	595	1,609	2,962	5,507
Modifications	-	1,050	-	-	1,050
Disposals	-	(2,251)	(219)	(2,038)	(4,508)
Net revaluation increments/(decrements)	337	-	-	-	337
Balance at 29 June 2025	39,487	70,975	14,806	66,274	191,542
<b>Accumulated depreciation/amortisation and impairment</b>					
Balance at 3 July 2023	(1,553)	(20,288)	(7,932)	(51,920)	(81,693)
Depreciation expense	(320)	(6,567)	(685)	(2,678)	(10,250)
Lease Modifications	-	5,263	-	-	5,263
Disposals	-	225	-	799	1,024
Impairment of non-current assets	-	-	-	-	-
Balance at 30 June 2024	(1,873)	(21,367)	(8,617)	(53,799)	(85,656)
Depreciation expense	(346)	(6,807)	(788)	(2,616)	(10,557)
Lease Modifications	-	67	-	-	67
Disposals	-	1,918	218	2,011	4,147
Impairment of non-current assets	-	-	-	-	-
Balance at 29 June 2025	(2,219)	(26,189)	(9,187)	(54,404)	(91,999)
<b>Net book value</b>					
As at 30 June 2024	36,936	50,214	4,799	11,551	103,500
As at 29 June 2025	37,268	44,786	5,619	11,870	99,543

There was no depreciation capitalised as part of the cost of other assets.

- (i) Land and buildings are revalued to their fair value, based on independent market valuations performed by Knight Frank Valuation & Advisory South Australia (2024: M3property), with valuations on two out of total nine properties this year. The valuations are performed based on a Capitalisation of Net Income Valuation methodology, incorporating level 2 observable inputs in accordance with the Fair Value Hierarchy established under AASB 13 *Fair Value Measurement*. The valuations are based on recent sale transactions and other relevant market data. The effective date of revaluation is 30 June 2025 (2024: 30 June 2024).

## FRIENDLY SOCIETY MEDICAL ASSOCIATION LIMITED

### Notes to the Financial Statements for the 52 Week Period Ended 29 June 2025

#### 9. Non-Current Property, Plant and Equipment (cont'd)

As a result of the revaluation, land and buildings increased by \$336,833 (2024: increased by \$868,398). Of this \$1,022 decreased the asset revaluation reserve (2024: \$1,011,354 increased the asset revaluation reserve) and \$337,855 was recognised as a gain on property revaluation (2024: \$142,956 as impairment loss) in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

#### 10. Goodwill

	2025 \$'000	2024 \$'000
<b>Gross carrying amount</b>		
Balance at beginning of the period	33,910	33,910
Additions	-	-
	-	-
Balance at the end of the period	33,910	33,910
<b>Accumulated impairments</b>		
Balance at beginning of the period	(28,198)	(28,198)
Impairments	-	-
Disposals on sale	-	-
Balance at the end of the period	(28,198)	(28,198)
<b>Net book value</b>		
At the beginning of the financial period	5,712	5,712
At the end of the financial period	5,712	5,712

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units (CGUs) expected to benefit from the synergies of the business combination. CGUs to which goodwill has been allocated are tested for impairment annually.

The recoverable amount of the CGU at 29 June 2025 was determined based on the higher of fair value or a value in use calculation. Value in use was determined using cash flow projections based on EBITDA financial forecasts.

An EBITDA financial forecast for each CGU has been determined using the Group sales growth expectations, approved by the Board, applied to Income and Expense rates.

The discount rate applied to the cash flow projections at 29 June 2025 was based on the Group's pre-tax WACC being 14.3% (2024: 14.0%).

The terminal value of each CGU has been calculated using the perpetual growth method. This method assumes the CGU will continue to generate Free Cash Flow at a normalised state in perpetuity. A terminal growth rate based on an assumed CPI of 3.0% has been applied (2024: 3.0%).

## FRIENDLY SOCIETY MEDICAL ASSOCIATION LIMITED

Notes to the Financial Statements  
for the 52 Week Period Ended 29 June 2025

## 11. Other Intangible Assets

	2025 \$'000	2024 \$'000
Licences	2,143	2,143
Customer lists	1,881	2,124
	<b>4,024</b>	<b>4,267</b>
<b>(a) Licences</b>		
<b>Gross carrying amount</b>		
Balance at beginning of the period	3,819	3,819
Additions	-	-
Balance at the end of the period	<b>3,819</b>	<b>3,819</b>
<b>Accumulated amortisation/impairments</b>		
Balance at beginning of the period	(1,676)	(1,676)
Impairment	-	-
Balance at the end of the period	<b>(1,676)</b>	<b>(1,676)</b>
<b>Net book value</b>		
At the beginning of the financial period	2,143	2,143
At the end of the financial period	<b>2,143</b>	<b>2,143</b>

The above relate to pharmacy licences which are considered to have an indefinite useful life as there is no foreseeable limit to the period over which they are expected to generate net cash in-flows for the Group given the indefinite legal right to renew the licences for an insignificant cost.

	2025 \$'000	2024 \$'000
<b>(b) Customer Lists</b>		
<b>Gross carrying amount</b>		
Balance at beginning of the period	23,288	23,288
Additions	-	-
Disposals	-	-
Reclassified to held-for-sale	-	-
Balance at the end of the period	<b>23,288</b>	<b>23,288</b>
<b>Accumulated amortisation/impairments</b>		
Balance at beginning of the period	(21,164)	(20,539)
Amortisation	(243)	(625)
Disposals	-	-
Impairment	-	-
Balance at the end of the period	<b>(21,407)</b>	<b>(21,164)</b>
<b>Net book value</b>		
At the beginning of the financial period	2,124	2,749
At the end of the financial period	<b>1,881</b>	<b>2,124</b>

The useful life used in the above calculation of amortisation is 10 years.

## FRIENDLY SOCIETY MEDICAL ASSOCIATION LIMITED

**Notes to the Financial Statements  
for the 52 Week Period Ended 29 June 2025**

**12. Current Trade and Other Payables**

	2025 \$'000	2024 \$'000
Trade payables (i)	31,706	22,274
Prepaid membership fees	1,279	1,346
Other payables and accruals	4,135	4,535
	<u>37,120</u>	<u>28,155</u>

- (i) The average credit period on purchases is 42 days (2024: 37 days). No interest is charged on the trade payables. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

**13. Current Other Financial Liabilities**

	2025 \$'000	2024 \$'000
Interest bearing loan from Key Management Personnel Related Entity (i)	23	23
	<u>23</u>	<u>23</u>

- (i) A Key Management Personnel (KMP) Related Entity refers to an organisation that has common directors with the Group. Transactions with such entity are conducted on normal commercial terms and conditions no more favourable than those available to other parties, unless otherwise stated.  
The current effective interest rate on the loan is 4% (2024: 4%)

**14. Current and Non-Current Provisions**

	Employee Benefits \$'000	Site Restoration (i) \$'000	Total \$'000
Balance at the beginning of the period	8,770	1,602	10,372
Additions	-	-	-
Movements during the period	160	50	210
Disposals	-	(64)	(64)
	<u>8,930</u>	<u>1,588</u>	<u>10,518</u>
<b>Disclosed as:</b>			
Current	8,041	-	8,041
Non-Current	889	1,588	2,477
	<u>8,930</u>	<u>1,588</u>	<u>10,518</u>

- (i) Site restoration provisions relate to make-good obligations set out within lease contracts recognised in accordance with AASB 16 Leases.

## FRIENDLY SOCIETY MEDICAL ASSOCIATION LIMITED

### Notes to the Financial Statements for the 52 Week Period Ended 29 June 2025

#### 15. Current and Non-Current Borrowings

	2025 \$'000	2024 \$'000
<b>Current</b>		
Current portion of lease liabilities (i)	5,750	9,602
Secured bank loans (ii)(iii)	567	1,775
Balance at end of the period	<u>6,317</u>	<u>11,377</u>
<b>Non-Current</b>		
Non-current portion of lease liabilities	50,028	50,998
Secured bank loans (ii)(iii)	3,739	-
Balance at end of the period	<u>53,767</u>	<u>50,998</u>
(i) The lease liabilities are discounted at an interest rate ranging between 5.5% to 11.5% dependent on the remaining lease term (2024: 5.5% to 11.5%).		
(ii) Terms and repayment schedule as at period end		
	2025 \$'000	2024 \$'000
Corporate Markets Loan with monthly repayment \$22,250, expiry date 30 June 2027. Interest rate between 5.6% to 4.9%.	1,531	1,775
Corporate Markets Loan with monthly repayment \$25,000, expiry date 30 June 2027. Interest rate between 5.9% to 5.4%	2,775	-
Balance at end of the period	<u>4,306</u>	<u>1,775</u>

The secured bank loans are secured over seven business assets, National Pharmacies Glenunga, National Pharmacies Victor Harbor, National Pharmacies Norwood, National Pharmacies Mitcham, National Pharmacies Blackwood, National Pharmacies Findon, and National Pharmacies Gawler. (30 June 2024: security over the assets of the Group including property, plant and equipment of \$53,286,000 and inventories \$41,864,000)

The Group has since signed a new agreement with bank. Refer to Note 27 Subsequent Events.

#### 16. Issued Capital

The Company is limited by Shares and Guarantee. At 29 June 2025 and at 30 June 2024, the Company had no issued shares.

The Company is limited by a guarantee of \$1 per Member. At 29 June 2025, the Company had 99,105 Memberships (2024: 142,634).

#### 17. Asset Revaluation Reserve

	2025 \$'000	2024 \$'000
Balance at the beginning of the period	12,057	11,390
Disposal of property	-	-
Increase arising on revaluation of properties	(1)	1,011
Tax consequences	(31)	(344)
Balance at end of the period	<u>12,025</u>	<u>12,057</u>

The asset revaluation reserve arises on the revaluation of land and buildings. Where a revalued land or building is sold the portion of the asset revaluation reserve which relates to that asset, and is effectively realised, is transferred directly to retained profits.

## FRIENDLY SOCIETY MEDICAL ASSOCIATION LIMITED

### Notes to the Financial Statements for the 52 Week Period Ended 29 June 2025

#### 18. Commitments for Capital Expenditure

	2025 \$'000	2024 \$'000
Leasehold improvements	1	95
Building improvements	15	7
Plant & Equipment	160	12
Balance at end of the period	176	114

#### 19. Contingent Liabilities and Assets

The Group has given bank guarantees of \$904,000 (2024: \$918,000) in relation to leasehold properties. There are no other contingent liabilities or assets as at 29 June 2025 (2024: \$nil).

#### 20. Leases

##### (a) Right-of-use assets

The Group leases retail stores, generally for periods ranging from 5 to 10 years with options to renew the lease after that date. Retail stores provide for annual rent reviews based on CPI or market rents. Each lease is reviewed and its probability of exercising the options is assessed based on the store performance and business strategies.

Right of use assets related to leased properties are presented as property, plant and equipment (Note 9).

	2025 \$'000	2024 \$'000
Balance at the start of the period	50,214	49,804
Depreciation charge for the period	(6,807)	(6,568)
Additions to right-of-use assets	595	4,965
Disposals of right-of-use assets	(333)	(15)
Modifications to right-of-use assets - annual indexation	1,117	2,028
Balance at the end of the period	44,786	50,214
Recognised as Held-for-Sale	-	-
Recognised within Property, Plant and Equipment	44,786	50,214

##### (b) Amounts recognised in profit or loss

Interest on lease liabilities	4,136	4,438
Depreciation relating to right-of-use assets	6,807	6,568
Expenses relating to short-term leases	39	284
Balance at the end of the period	10,982	11,290

##### (c) Amounts recognised in statement of cash flows

Total cash outflow for leases	10,077	9,401
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## FRIENDLY SOCIETY MEDICAL ASSOCIATION LIMITED

## Notes to the Financial Statements for the 52 Week Period Ended 29 June 2025

### 20. Leases (cont'd)

#### (d) Future lease payments

The total of future lease payments (including those lease payments that are not included in the measurement of the lease liability, e.g. for short-term leases and leases of low-value items) are disclosed for each of the following periods:

	2025	2024
	\$'000	\$'000
Less than one year	9,318	9,997
One to five years	36,435	39,206
More than five years	36,721	41,388
Balance at end of the period	82,474	90,591

#### (e) Extension options

Some property leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

### 21. Related Party Disclosures

#### (a) Transactions with Key Management Personnel

Where Key Management Personnel are members of the Group they pay contributions at normal member rates.

#### (b) Transactions with Related Parties

- (i) No revenue was received from Key Management Personnel Related Entities.
- (ii) Aggregate amounts payable to Key Management Personnel Related Entities have been disclosed in Note 13.
- (iii) Subscriptions of \$171,188 (2024: \$103,936) were paid to National Pharmaceutical Services Association.
- (iv) Consultancy Fees of \$Nil (2024: \$114,873) were paid to National Pharmaceutical Services Association.
- (v) Interest of \$Nil (2024: \$Nil) was paid to a Key Management Personnel Related Entity in respect of a loan. Refer to Note 13 for the loan from Key Management Personnel Related Entity.

The above transactions are between Key Management Personnel Related Entities and the Group and occur under normal terms and conditions.

## FRIENDLY SOCIETY MEDICAL ASSOCIATION LIMITED

## Notes to the Financial Statements for the 52 Week Period Ended 29 June 2025

### 22. Notes to the Statement of Cash Flows

#### (a) Reconciliation of Cash and Cash Equivalents

For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments. Cash and cash equivalents at the end of the financial period as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	2025 \$'000	2024 \$'000
Cash	2,630	1,512
Bank overdraft	-	(9,090)
(Bank overdraft) / Cash	2,630	(7,578)

#### (b) Financing Facilities

##### Overdraft facility

Facility Limit	13,000	13,000
Amount Drawn	-	(9,090)
Amount Available	13,000	3,910

##### Secured bank loan facility

Facility Limit	4,328	1,797
Amount Drawn	(4,306)	(1,775)
Amount Available	22	22

##### Secured Bank Guarantee

Facility Limit	1,800	1,800
Amount Drawn	(904)	(918)
Amount Available	896	882

The above facilities are subject to annual review and are secured by a Registered Mortgage Debenture over the assets of the Group as at 29 June 2025. Refer to Note 27 Subsequent Events for more details on the new facilities.

### 23. Financial Instruments

#### (a) Material accounting policies

Details of the material accounting policies and methods adopted (including the criteria for recognition, the bases of measurement and the bases for recognition of income and expenses) for each class of financial asset, financial liability and equity instrument are disclosed in Note 3.

#### (b) Categories of financial instruments

	2025 \$'000	2024 \$'000
<b>Financial assets</b>		
Trade and Other Receivables	6,885	6,074
Cash and cash equivalents	2,630	1,512
<b>Total Financial Assets</b>	9,515	7,586

## FRIENDLY SOCIETY MEDICAL ASSOCIATION LIMITED

### Notes to the Financial Statements for the 52 Week Period Ended 29 June 2025

#### 23. Financial Instruments (cont'd)

##### (b) Categories of financial instruments (cont'd)

	2025	2024
	\$'000	\$'000
<b>Financial liabilities</b>		
Trade and other payables	37,120	28,155
Borrowings (including bank overdraft)	60,084	71,465
Other financial liabilities	23	23
<b>Total Financial Liabilities</b>	<b>97,227</b>	<b>99,643</b>

##### (c) Fair value of financial instruments

The fair value of financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions.

#### 24. Parent Entity Information

	2025	2024
	\$'000	\$'000
<b>(a) Financial Position</b>		
<b>Assets</b>		
Current Assets	51,741	51,842
Non-Current Assets	109,279	113,479
<b>Total Assets</b>	<b>161,020</b>	<b>165,321</b>
<b>Liabilities</b>		
Current Liabilities	51,501	56,787
Non-Current Liabilities	56,244	53,228
<b>Total Liabilities</b>	<b>107,745</b>	<b>110,015</b>
<b>Equity</b>		
Issued Capital	-	-
Retained Earnings	41,250	43,249
Asset Revaluation	12,025	12,057
<b>Total Equity</b>	<b>53,275</b>	<b>55,306</b>

## FRIENDLY SOCIETY MEDICAL ASSOCIATION LIMITED

**Notes to the Financial Statements  
for the 52 Week Period Ended 29 June 2025**

**24. Parent Entity Information (cont'd)****(b) Financial Performance**

Loss for the period	(1,999)	(5,491)
Other comprehensive income/(loss)	(32)	667
Total comprehensive loss	<u>(2,031)</u>	<u>(4,824)</u>

**(c) Commitments for the acquisition of property, plant and equipment by the parent entity**

Property, Plant & Equipment	<u>176</u>	<u>114</u>
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**(d) Contingent Liabilities**

The Company has given bank guarantees of \$904,000 (2024: \$833,000) in relation to leasehold properties.

**25. Controlled Entities**

	Country of Incorporation	Ownership Interest	
		2025 %	2024 %
<b>Parent Entity</b>			
Friendly Society Medical Association Limited	Australia		
<b>Controlled Entities</b>			
National Pharmacies Australia Pty Ltd	Australia	<u>100</u>	<u>100</u>

National Pharmacies Australia Pty Ltd has not prepared an audited financial report as the entity is classified as a small proprietary company under the Corporations Act 2001.

**26. Auditors' Remuneration**

	2025 \$	2024 \$
<b>Audit and review services</b>		
Audit and review of financial statements - KPMG	145,591	141,308
Advisory - KPMG	-	-
Other Assurance Services - KPMG	-	20,900
	<u>145,591</u>	<u>162,208</u>

## FRIENDLY SOCIETY MEDICAL ASSOCIATION LIMITED

**Notes to the Financial Statements  
for the 52 Week Period Ended 29 June 2025****27. Subsequent Events**

- (a) On 30 June 2025, the Group entered into a new banking agreement with its existing lender. The new facility and the changes to the existing facilities are outlined as following:
- i) The existing Corporate Markets Loan limit was increased to \$6 million from \$2.8 million as at 29 June 2025 expiring on 30 June 2028 with monthly repayments of \$33,333. The loan can be paid down and redrawn at any time.
  - ii) The term of the existing \$1.5 million Corporate Market Loan was extended to 30 June 2028 with monthly repayments of \$22,225.
  - iii) The bank guarantee facility of \$1.8 million remains in place.
  - iv) The security and bank covenants remain unchanged.
  - v) All the other components of the existing facilities and General Service Agreement remain in place.

- (b) The following changes in key management personnel occurred after 29 June 2025:

Mr Vito Borrello's contract as Chief Executive Officer concluded effective 5 July 2025.

Mr Mark Smith was appointed Chief Executive Officer effective 28 July 2025.

Mr Rob Quinton resigned as General Manager Finance effective 10 August 2025.

Ms Brigid Hughes was appointed Chief Financial Officer effective 25 August 2025.

These events occurred subsequent to year end and have no impact on the financial statements for the year ended 29 June 2025.

Other than the events disclosed above, there have been no events subsequent to the reporting date which would have a material impact on the Group's 29 June 2025 financial statements.

## FRIENDLY SOCIETY MEDICAL ASSOCIATION LIMITED

**Consolidated Entity Disclosure Statement  
as at 29 June 2025**

Entity Name	Body corporate, partnership or trust	Place incorporated / formed	% of share capital held directly or indirectly by the company in the body corporate	Australian or Foreign tax resident	Jurisdiction of Foreign tax resident
Friendly Society Medical Association Limited (the Company)	Body corporate	Australia		Australian	N/A
National Pharmacies Australia Pty Ltd	Body corporate	Australia	100%	Australian	N/A

**Key Assumptions and Judgement**
**Determination of Tax Residency**

Section 295 (3A) of the Corporation Acts 2001 requires that the tax residency of each entity which is included in the Consolidated Entity Disclosure Statement (CEDS) be disclosed. In the context of an entity which was an Australian resident, "Australian resident" has the meaning provided in the Income Tax Assessment Act 1997. The determination of tax residency involves judgment as the determination of tax residency is highly fact dependent and there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

Australian tax residency

The consolidated entity has applied current legislation and judicial precedent, including having regard to the Commissioner of Taxation's public guidance in Tax Ruling TR 2018/5.



Friendly Society Medical Association Limited  
ABN 69 088 347 602

**Registered Office**

52 Gawler Place Adelaide SA 5000  
PO Box 3640 Rundle Mall SA 5000

[membersupport@nationalpharmacies.com.au](mailto:membersupport@nationalpharmacies.com.au)  
[nationalpharmacies.com.au](http://nationalpharmacies.com.au)

