



**AUSTRALIAN INDUSTRIAL REGISTRY**

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80 Collins Street, Melbourne, VIC 3000  
GPO Box 1994S, Melbourne, VIC 3001  
Telephone: (03) 8561 7777  
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Our Ref: 175V: FR2002/307

Silas Bell Banks  
National Vice President (Finance)  
The Pharmacy Guild of Australia  
Fax: (02) 6270 1800

Dear Silas,

**Re: The Pharmacy Guild of Australia  
Financial return for year ended 30 June 2002  
Notification of particulars of loans, grants and donations exceeding \$1,000  
(FR2002/307)**

Receipt is acknowledged of the financial documents of The Pharmacy Guild of Australia, for the year ended 30 June 2002. The documents were lodged in the Industrial Registry on 2 December 2002.

The documents have been filed. The contents of your statement lodged under s269 of the *Workplace Relations Act 1996* has been placed on a Registry file that is not available to the general public.

***The following matters are advised for assistance when preparing future financial documents, no further action is requested in respect of these:***

- **Auditor's report**

The auditor in his/her report is required to state, amongst other things, whether all the information and explanations that, under subsection 276(2), officers or employees of the organisation were required to provide were provided - refer subsection 276(4)(b) of the *Workplace Relations Act 1996*.

Would you please bring this to the attention of the auditor.

- **Accounting Officer's certificate**

A certificate prepared under regulation 109(1)(a) is to be prepared by the officer responsible for the keeping of the accounting records - refer regulation 109(4). An examination of the rules of the organisation indicates that the National Vice President (Finance) rather than the Executive Director is the appropriate person to prepare such certificates.

Should you wish to discuss this letter or if you require further information on the financial reporting requirements of the Act, I can be contacted on (03) 8661 7811.

Yours sincerely,

Shane Ellard  
Team Manager - RIA Team 4  
Statutory Services Branch

3 January 2003



The PHARMACY GUILD of AUSTRALIA  
NATIONAL SECRETARIAT

FR 2002 / 307

**CERTIFICATION OF VERIFICATION**

**IN ACCORDANCE WITH SECTION S280 (1)**

I, Silas Bell Banks, National Vice President (Finance) of The Pharmacy Guild of Australia, hereby certify that:

1. The attached National Annual Report of The Pharmacy Guild of Australia marked "A" incorporates a true copy of the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows and Statements by the Committee of Management, Chief Accounting Officer and Auditors for the year ended 30 June 2002 and that the Report was supplied to members on 7 November 2002 via the Pharmacy Guild of Australia website. Members were informed that the annual report was available on the website via the October 2002 Community Pharmacy newsletter, which is distributed to all members, and also that printed copies are available free of charge upon request.
2. The National Annual Report of The Pharmacy Guild of Australia incorporating the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows and Statements by the Committee of Management, Chief Accounting Officer and Auditors for the year ended 30 June 2002 was adopted by National Council of The Pharmacy Guild of Australia by a resolution carried by a meeting of the National Council held on 19 November 2002.

DATED THIS TWENTY SIXTH DAY OF NOVEMBER 2002

**SILAS BELL BANKS**  
**NATIONAL VICE PRESIDENT (FINANCE)**

**AUDIT REPORT PROVIDED FOR PRESENTATION ON AN ENTITY'S WEB SITE**

To the members of The Pharmacy Guild of Australia – National Secretariat

**Matters relating to the Electronic Presentation of the Audited Financial Report**

This audit report relates to the financial report of The Pharmacy Guild of Australia – National Secretariat for the year ended 30 June 2002 included on The Pharmacy Guild of Australia – National Secretariat's web site. The National Secretariat's council are responsible for the integrity of the National Secretariat's web site. The audit report refers only to the statements named below. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

**Scope**

We have audited the financial report of The Pharmacy Guild of Australia – National Secretariat, comprising the Statement of Financial Performance, the Statement of Financial Position, the Statement of Cash Flows, Notes 1 to 23 and the Accounting Officer's Certificate and Committee of Management's Certificate for the year ended 30 June 2002. The National Councillors of The Pharmacy Guild of Australia are responsible for the financial report. We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the National Secretariat.

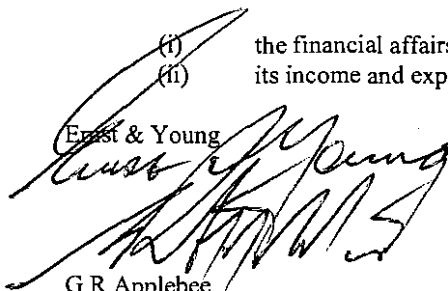
Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements and statutory requirements in Australia so as to present a view which is consistent with our understanding of the National Secretariat's financial position, and performance as represented by the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

**Audit Opinion**

In our opinion:

- (a) there were kept by the National Secretariat in relation to the year ended 30 June 2002 satisfactory accounting records including:
  - (i) records of the sources and nature of the income of the National Secretariat (including income from members); and
  - (ii) records of the nature and purposes of the expenditure of the National Secretariat;
- (b) the attached accounts and statements, which have been prepared in accordance with applicable Accounting Standards other mandatory professional reporting requirements in Australia in Australia and Section 273 of the Workplace Relations Act 1996, are properly drawn up so as to give a true and fair view of:
  - (i) the financial affairs of the National Secretariat for the year ended 30 June 2002; and
  - (ii) its income and expenditure, surplus and cash flows for the year ended on that date.



G R Applebee  
Partner  
Registered Company Auditor  
Canberra  
Date: 8 October 2002

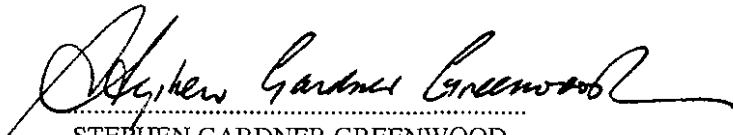
THE PHARMACY GUILD OF AUSTRALIA - NATIONAL SECRETARIAT

ACCOUNTING OFFICER'S CERTIFICATE

I, STEPHEN GARDNER GREENWOOD, being the Officer responsible for keeping the accounting records of The Pharmacy Guild of Australia, National Secretariat certify that as at 30 June 2002 the number of members of the organisation was 4,072 including Honorary Life Members.

In my opinion,

- (i) the attached accounts show a true and fair view of the financial affairs of the organisation as at 30 June 2002;
- (ii) a record has been kept of moneys remitted to the National Secretariat by the Branches with respect to its share of all moneys paid by or collected from members. The moneys so remitted by the Branches have been credited to the bank account to which those moneys are to be credited, in accordance with the rules of the organisation;
- (iii) before any expenditure was incurred by the organisation, approval of the incurring of expenditure was obtained in accordance with the rules of the organisation;
- (iv) with regard to funds of the organisation raised by compulsory levies or voluntary contributions from members, or funds other than the General Fund operated in accordance with the rules, no payments were made out of any such fund for purposes other than those for which the fund was operated;
- (v) no loans or other financial benefits, other than remuneration in respect of their full time employment with the organisation, were made to persons holding office in the organisation;
- (vi) the registrar of members of the organisation was maintained in accordance with the Act.

  
STEPHEN GARDNER GREENWOOD

8 October 2002

THE PHARMACY GUILD OF AUSTRALIA - NATIONAL SECRETARIAT

COMMITTEE OF MANAGEMENT'S CERTIFICATE

We, JOHN BRONGER and, SI BANKS being two members of the National Council of The Pharmacy Guild of Australia, do state on behalf of the National Council and in accordance with a resolution passed by the National Council that:

- (i) in the opinion of the National Council, the attached accounts show a true and fair view of the financial affairs of the organisation as at 30 June 2002.
- (ii) in the opinion of the National Council, meetings of the National Council were held during the year ended 30 June 2002 in accordance with the rules of the organisation;
- (iii) to the knowledge of any member of the National Council, there have been no instances where records of the organisation or other documents (not being documents containing information made available to a member of the organisation under sub-section 274 (1) and (2) of the Workplace Relations Act 1996, or copies of those records or documents, or copies of the rules of the organisation) have not been furnished, or made available, to members in accordance with the requirements of the Workplace Relations Act 1996, the Regulations thereto, or the rules of the organisation; and
- (iv) the organisation has complied with sub-section 279 of the Act in relation to the financial accounts in respect of the year ended 30 June 2001, and the auditor's report thereon which were prepared in accordance with sub-section 273 (1) of the Act.



.....  
JOHN BRONGER



.....  
SI BANKS

8 October 2002

**THE PHARMACY GUILD OF AUSTRALIA - NATIONAL SECRETARIAT**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2002**

	NOTES	2002 \$	2001 \$
<b>CURRENT ASSETS</b>			
Cash	5	5,922,324	2,921,597
Receivables	6	1,906,389	1,754,270
Other	7	83,613	26,903
<b>TOTAL CURRENT ASSETS</b>		<u>7,912,326</u>	<u>4,702,770</u>
<b>NON - CURRENT ASSETS</b>			
Receivables	8	19,385,440	14,395,440
Investments	9	2,986,261	3,935,941
Property, plant and equipment	10	716,153	734,974
<b>TOTAL NON - CURRENT ASSETS</b>		<u>23,087,854</u>	<u>19,066,355</u>
<b>TOTAL ASSETS</b>		<u>31,000,180</u>	<u>23,769,125</u>
<b>CURRENT LIABILITIES</b>			
Creditors and borrowings	11	8,134,974	3,055,565
Provisions	12	777,660	492,836
<b>TOTAL CURRENT LIABILITIES</b>		<u>8,912,634</u>	<u>3,548,401</u>
<b>NON - CURRENT LIABILITIES</b>			
Borrowings	13	2,000,000	-
Provisions	14	69,305	329,434
<b>TOTAL NON - CURRENT LIABILITIES</b>		<u>2,069,305</u>	<u>329,434</u>
<b>TOTAL LIABILITIES</b>		<u>10,981,939</u>	<u>3,877,835</u>
<b>NET ASSETS</b>		<u>20,018,241</u>	<u>19,891,290</u>
<b>ACCUMULATED FUNDS AND RESERVES</b>			
Reserves	15	8,418,320	8,867,110
Accumulated funds	15	11,599,921	11,024,180
		<u>20,018,241</u>	<u>19,891,290</u>

**THE PHARMACY GUILD OF AUSTRALIA - NATIONAL SECRETARIAT**  
**STATEMENT OF FINANCIAL PERFORMANCE**  
**FOR THE YEAR ENDED 30 JUNE 2002**

	NOTES	2002 \$	2001 \$
<b>REVENUE FROM ORDINARY ACTIVITIES</b>	3	16,174,821	12,144,708
Remuneration and employee benefits expense	4	(4,665,341)	(3,869,451)
Depreciation expense		(199,038)	(157,269)
Other expenses from ordinary activities	4	(11,192,798)	(6,794,186)
		117,644	1,323,802
<b>SURPLUS FROM ORDINARY ACTIVITIES/ TOTAL CHANGES IN EQUITY OF THE NATIONAL SECRETARIAT</b>		<b>117,644</b>	<b>1,323,802</b>

**Surplus from Ordinary Activities consists of:**

Surplus from all Divisions excluding Quality Care Pharmacy Program	238,662	73,015
Deficit/(surplus) from Quality Care Pharmacy Program	(121,018)	1,250,787
	<b>117,644</b>	<b>1,323,802</b>

**THE PHARMACY GUILD OF AUSTRALIA - NATIONAL SECRETARIAT**  
**STATEMENT OF CASHFLOWS FOR YEAR ENDED 30 JUNE 2002**

	NOTES	2002 \$	2001 \$
<b>Cash flows from operating activities</b>			
Receipts from operations		9,900,402	9,787,058
Voluntary levy received		61,882	36,759
Voluntary levy expended		(244,137)	(344,085)
Payments to suppliers and employees		(16,758,263)	(11,805,256)
Interest received		925,836	883,354
Distributions from property trusts		38,879	128,903
Grants received		11,523,747	3,710,291
GST paid		(418,802)	(237,121)
<b>Net cash flows generated from operating activities</b>	16	<u>5,029,544</u>	<u>2,159,903</u>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment		(256,843)	(311,527)
Proceeds from sale of property, plant and equipment		64,544	37,545
Proceeds from disposal of shares in APP Co.		-	500,000
Proceeds from disposal in VIC Unit Trust		-	1,084,000
Purchase of units in controlled entities		(9,471)	-
Proceeds from disposal in QLD Unit Trust		729,038	-
Proceeds from disposal in SA Unit Trust		239,420	-
Funds held on trust		194,495	(4,268)
Repayment of advance to AACP		10,000	-
Advances to related parties:			
Guild Insurance and Financial Services Pty Ltd		(5,000,000)	(1,000,000)
<b>Net cash flows (used in)/generated from investing activities</b>		<u>(4,028,817)</u>	<u>305,750</u>
<b>Cash flows from financing activities</b>			
Proceeds from bank loan		2,000,000	-
<b>Net cash flows generated from financing activities</b>		<u>2,000,000</u>	<u>-</u>
Net increase in cash held		3,000,727	2,465,653
Add opening cash brought forward		2,921,597	455,944
<b>Closing cash carried forward</b>	16	<u><u>5,922,324</u></u>	<u><u>2,921,597</u></u>



**THE PHARMACY GUILD OF AUSTRALIA - NATIONAL SECRETARIAT**  
**NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS**  
**FOR YEAR ENDED 30 JUNE 2002**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**a) Basis of Financial Statements**

These accounts are a general purpose financial report which has been made out in accordance with with applicable Accounting Standards and disclosures required by the Workplace Relations Act 1996. Other mandatory professional reporting requirements (Urgent Issues Group Consensus Views) have also been complied with.

The accounts have been prepared in accordance with the Historical Cost Convention, except for certain assets which are at valuation. Cost in relation to assets represents the cash amount paid or the face value of the assets given in exchange.

b) The accounting policies adopted are consistent with those of the previous year.

**c) Cash**

Cash on hand and in banks and short term deposits are stated at lower of cost and net realisable value.

For the purposes of the Statement of Cash Flows, cash includes cash on hand and in banks, and money market investments readily convertible to cash within 2 working days, net of outstanding bank overdrafts.

**d) Trade and other receivables**

Trade receivables are recognised and carried at original invoice amount less a provision for any uncollectable debts.

Receivables from related parties are recognised and carried at nominal amount due. Interest is taken up as income on an accrual basis.

**e) Investments**

Long term investments are stated at the lower of cost and net realisable value.

**f) Property, Plant and Equipment**

Cost and Valuation

Property, plant and equipment are carried at cost or at valuation. Any surplus on revaluation is credited directly to the asset revaluation reserve and excluded from the statement of financial performance.

Any gain or loss on the disposal of revalued assets is determined as the difference between the carrying value of the asset at the time of disposal and the proceeds from disposal, and is included in the result in the year of disposal.

THE PHARMACY GUILD OF AUSTRALIA - NATIONAL SECRETARIAT  
NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS  
FOR YEAR ENDED 30 JUNE 2002

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

f) **Property, Plant and Equipment (cont'd)**

Depreciation

Depreciation is provided on a straight line basis on all property, plant and equipment, other than land, at rates calculated to allocate the cost or valuation less estimated residual value at the end of the useful lives of the assets against revenue over those estimated useful lives.

Major depreciation periods are:

	2002	2001
Buildings	40 years	40 years
Plant and equipment	3 to 10 years	3 to 10 years

g) **Trade and other payables**

Liabilities for trade creditors and other amounts are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Guild.

Payables to related parties are carried at the principal amount.

h) **Employee Benefits**

Provision is made for employee entitlement benefits accumulated as a result of employees rendering services up to the reporting date. These benefits included wages and salaries, annual leave, sick leave and long service leave.

Liabilities arising in respect of salaries and wages, annual leave, sick leave and any other employee entitlements expected to be settled within twelve months of the reporting date and are measured in their nominal amounts. All other employee entitlement liabilities are measured at the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. In determining the present value of future cash outflows, the interest rates attaching to government guaranteed securities which have terms to maturity approximating the terms of the related liability are used.

Employee entitlement expenses and revenues arising in respect of the following categories:

- wages and salaries, non monetary benefits, annual leave, long service leave, sick leave and other leave entitlements; and,
  - other types of employee entitlements,
- are charged against surpluses on a net basis in their respective categories.

The contributions made to superannuation funds by the entity are charged against surpluses when due.

**THE PHARMACY GUILD OF AUSTRALIA - NATIONAL SECRETARIAT  
NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS  
FOR YEAR ENDED 30 JUNE 2002**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

**i) Borrowings**

Bank loans are measured at the principal amount. Interest is charged as an expense as it accrues.

**j) Income Tax**

The Pharmacy Guild of Australia is exempt from income tax under section 50-15 of the Income Tax Assessment Act 1997.

**k) Leases**

Finance leases, which effectively transfer to the National Secretariat substantially all of the risks and benefits incidental to the ownership of the leased item, are capitalised at the present value of the minimum lease payments, disclosed as leased property, plant and equipment, and amortised over the period the National Secretariat is expected to benefit from the use of the leased assets.

Operating lease payments, where the lessor effectively retains substantially all of the risks and benefits of ownership of the leased items, are included in the determination of the operating surplus in equal instalments over the lease term.

**l) Dividend Income**

Dividend income other than that arising from redeemable cumulative preference shares is brought into account as received.

**NOTE 2 INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR**

In accordance with the requirements of the Workplace Relations Act 1996, the attention of members is drawn to the provisions of sub-sections (1), (2), and (3) of section 274 which read as follows:

- (1) A member of an organisation, or a Registrar, may apply to the organisation for specified prescribed information in relation to the organisation.
- (2) An organisation shall, on application made under sub-section (1) by a member of the organisation or a Registrar, make the specified information available to the member.
- (3) A Registrar may only make an application under sub-section (1) at the request of a member of the organisation concerned, and the registrar shall provide to a member information received because of an application made at the request of the member.

**THE PHARMACY GUILD OF AUSTRALIA - NATIONAL SECRETARIAT**  
**NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS**  
**FOR YEAR ENDED 30 JUNE 2002**

	2002	2001
	\$	\$
<b>NOTE 3 REVENUE FROM ORDINARY ACTIVITIES</b>		
<b>Revenues from operating activities</b>		
Membership subscriptions ex branches	2,099,045	1,829,485
Grants received	8,254,000	2,982,874
Voluntary membership levy for the ownership campaign	244,137	344,085
Income from Quality Care Pharmacy Program (QCPP)		
Membership subscriptions	620,475	587,331
Sale of QCPP related items	212,561	2,613,282
Sponsorship income	308,636	52,000
DUSC income	327,672	-
<b>Total revenues from operating activities</b>	<u>12,066,526</u>	<u>8,409,057</u>
<b>Revenues from non-operating activities</b>		
Interest received		
Controlled entities	790,726	777,011
Other corporations	135,110	106,343
Distributions from controlled unit trusts	38,879	128,903
Commissions from controlled entities	2,620,206	2,115,618
Rent received from branches and other related parties	129,123	245,785
Other income	394,251	361,265
Profit on the sale of non-current assets	-	726
<b>Total revenues from outside the operating activities</b>	<u>4,108,295</u>	<u>3,735,651</u>
<b>Total revenues from ordinary activities</b>	<u>16,174,821</u>	<u>12,144,708</u>

**NOTE 4 EXPENSES**

**(a) Remuneration and employee benefits expense**

Remuneration to elected officials	494,368	435,785
Remuneration to employees	3,264,499	2,524,341
Superannuation	532,845	440,374
Provision for annual leave	110,351	87,868
Provision for long service leave	(54,163)	149,542
Other on-costs (payroll tax and workers compensation expenses)	317,441	231,541
<b>Total remuneration and employee benefits expense</b>	<u>4,665,341</u>	<u>3,869,451</u>

THE PHARMACY GUILD OF AUSTRALIA - NATIONAL SECRETARIAT  
NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS  
FOR YEAR ENDED 30 JUNE 2002

	2002	2001
	\$	\$
<b>NOTE 4 EXPENSES (cont'd)</b>		
<b>(b) Other expenses from ordinary activities</b>		
Affiliation fees	70,098	56,758
Donations	96,620	74,854
Remuneration to auditors		
- Audit fees	28,375	27,550
- Other services	113,533	94,888
Legal expenses	176,010	129,958
Consultants expenses	314,276	212,847
DUSC expenses	48,301	-
Loss on disposal of non current assets	12,082	-
Meeting expenses and allowances		
- National Council	252,211	312,136
- Chairman and committee expenses	71,195	123,336
- Other meeting expenses	4,243	2,240
Grants and subsidies		
- Tasmanian Branch	25,000	35,000
Administrative expenses	209,580	356,988
Rent paid	548,140	575,349
Interest paid to controlled entities		-
Grants expended	6,733,158	1,974,178
Voluntary membership levy monies expended	244,137	344,085
Expenses from Quality Care Pharmacy Program (QCPP)		
- Payments made to AIPM and PSA	91,244	665,838
- Standards materials expenses	14,811	141,391
Travel expenses (local and overseas)	320,198	351,824
Special projects	339,340	161,730
Other expenses	1,480,246	1,153,236
<b>Total other expenses from ordinary activities</b>	<b>11,192,798</b>	<b>6,794,186</b>

**NOTE 5 CASH**

<b>Guild cash</b>		
Cash at bank and on hand	332,891	16,451
Cash on short term deposit	405,674	2,419,811
	<u>738,565</u>	<u>2,436,262</u>
<b>Cash held in Trust</b>		
Cash at bank held in Trust	370,954	485,335
Cash on short term deposit held in Trust	4,812,805	-
	<u>5,183,759</u>	<u>485,335</u>
<b>Total cash</b>	<b>5,922,324</b>	<b>2,921,597</b>

**THE PHARMACY GUILD OF AUSTRALIA - NATIONAL SECRETARIAT**  
**NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS**  
**FOR YEAR ENDED 30 JUNE 2002**

	2002	2001
	\$	\$
<b>NOTE 6 RECEIVABLES (CURRENT)</b>		
Trade debtors and other debtors	643,743	388,043
Amounts receivable from related parties		
Branch debtors	31,525	32,730
Amounts receivable from controlled entity		
Gold Cross Products and Services Pty Ltd	323,959	410,066
Guild Insurance Limited	123,968	332,190
GST receivable	333,993	170,688
Government grants receivable	449,201	420,553
	<u>1,906,389</u>	<u>1,754,270</u>
Trade debtors includes the following amounts owing by a related party		
Associated entities	<u>38,879</u>	<u>128,903</u>

**NOTE 7 OTHER**

Prepayments	83,613	26,903
	<u>83,613</u>	<u>26,903</u>

**NOTE 8 RECEIVABLES (NON-CURRENT)**

Unsecured loans to related parties		
Australian Association of Consultant Pharmacy Pty Limited	90,000	100,000
Unsecured loans to controlled entity		
Guild Insurance & Financial Services Holdings Limited	18,883,860	13,883,860
Gold Cross Products and Services Pty Ltd	411,580	411,580
	<u>19,385,440</u>	<u>14,395,440</u>

The National Secretariat will not recall the unsecured loans to Guild Insurance & Financial Services Holdings Limited until such a time when the entity has surplus funds to meet this liability.

**THE PHARMACY GUILD OF AUSTRALIA - NATIONAL SECRETARIAT  
NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS  
FOR YEAR ENDED 30 JUNE 2002**

	2002	2001
	\$	\$
<b>NOTE 9 INVESTMENTS</b>		
<b>Investments at cost comprise:</b>		
Shares in controlled entities - unlisted		
Australian Association of Consultant Pharmacy Pty Limited		
2 ordinary shares	2	2
Pharmacy Guild Home Infusion Association Pty Limited		
2 ordinary shares	2	2
GuildNET Pty Limited		
18 ordinary shares	18	18
Guild Insurance & Financial Services Holdings Limited		
985,434 ordinary shares	985,434	985,434
20,000 Redeemable cumulative non participating preference shares	2,000,000	2,000,000
Gold Cross Products and Services Pty Ltd		
402 ordinary shares	804	804
National Pharmacy Television Pty Limited		
1 ordinary shares	1	1
	<u>2,986,261</u>	<u>2,986,261</u>
<b>Investments at revalued amount:</b>		
Interest in controlled unit trusts - unlisted		
Guild Properties (Queensland) Unit Trust	-	729,038
Guild Properties (South Australia) Unit Trust	-	220,642
	<u>-</u>	<u>949,680</u>
<b>Total investments</b>	<u><u>2,986,261</u></u>	<u><u>3,935,941</u></u>

THE PHARMACY GUILD OF AUSTRALIA - NATIONAL SECRETARIAT  
NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS  
FOR YEAR ENDED 30 JUNE 2002

	2002	2001
	\$	\$
<b>NOTE 10 PROPERTY, PLANT AND EQUIPMENT</b>		
Office equipment - at cost	703,817	652,035
Less accumulated depreciation	<u>(342,642)</u>	<u>(312,007)</u>
	<u>361,175</u>	<u>340,028</u>
Motor vehicles - at cost	534,179	536,274
Less accumulated depreciation	<u>(179,201)</u>	<u>(141,328)</u>
	<u>354,978</u>	<u>394,946</u>
	<u>716,153</u>	<u>734,974</u>
<b>(a) Reconciliations</b>		
<i>Office equipment - at cost</i>		
Carrying amount at beginning	340,028	279,943
Additions	124,046	134,638
Disposals	(79)	-
Depreciation expense	<u>(102,820)</u>	<u>(74,553)</u>
Carrying amount at end	<u>361,175</u>	<u>340,028</u>
<i>Motor vehicles - at cost</i>		
Carrying amount at beginning	394,946	337,605
Additions	132,797	176,889
Disposals	(76,547)	(36,832)
Depreciation expense	<u>(96,218)</u>	<u>(82,716)</u>
Carrying amount at end	<u>354,978</u>	<u>394,946</u>



**THE PHARMACY GUILD OF AUSTRALIA - NATIONAL SECRETARIAT**  
**NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS**  
**FOR YEAR ENDED 30 JUNE 2002**

	2002	2001
	\$	\$
<b>NOTE 11 CREDITORS AND BORROWINGS (CURRENT)</b>		
Trade creditors	676,813	112,983
Accrued expenses	848,193	609,617
Amounts payable to related parties		
Branch creditors	168,293	79,547
Amounts held on trust		
MPA	20,961	6,424
Sclavos appeal	179,958	-
Government grants in advance	5,365,332	1,575,544
Income in advance	239,680	245,800
Community pharmacy funds in advance (Voluntary levy)	-	182,255
GST payable	635,744	243,395
	<u>8,134,974</u>	<u>3,055,565</u>
Trade creditors and accruals include the following amounts with related parties		
Branches	168,293	99,966
Associated entities	52,763	130,552
	<u>221,056</u>	<u>230,518</u>
<b>NOTE 12 PROVISIONS (CURRENT)</b>		
Provision for annual leave	471,084	360,734
Provision for long service leave	306,576	132,102
	<u>777,660</u>	<u>492,836</u>
<b>NOTE 13 BORROWINGS</b>		
Bank loan	<u>2,000,000</u>	<u>-</u>
i. Drawdown of the bank loan was performed on 26 June 2002. The loan is secured by guarantee and indemnity from Guild Insurance and Financial Services Holdings Limited.		
<b>NOTE 14 PROVISIONS (NON - CURRENT)</b>		
Provision for long service leave	<u>69,305</u>	<u>329,434</u>
<b>NOTE 15 RESERVES</b>		
<b>(a) Asset revaluation reserve</b>		
Balance at the beginning of the year	7,616,323	8,334,491
(Decrease)/increase in valuation of Guild Properties (QLD) Unit Trust	(5,688)	21,601
Increase/(decrease) in valuation of Guild Properties (SA) Unit Trust	14,995	(18,778)
Transfer to accumulated funds (Sale of QLD Unit Trust)	(252,213)	-
Transfer to accumulated funds (Sale of SA Unit Trust)	(84,866)	-
Transfer to accumulated funds (Sale of VIC Unit Trust)	-	(220,991)
Transfer to accumulated funds (Sale of APP Co Limited)	-	(500,000)
Balance at the end of the year	<u>7,288,551</u>	<u>7,616,323</u>

**THE PHARMACY GUILD OF AUSTRALIA - NATIONAL SECRETARIAT**  
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**FOR YEAR ENDED 30 JUNE 2002**

	2002	2001
	\$	\$
<b>NOTE 15 RESERVES (cont'd)</b>		
<b>(b) Quality Care Pharmacy Program reserve</b>		
Balance at the beginning of year	1,250,787	-
Transfer from accumulated funds	<u>(121,018)</u>	<u>1,250,787</u>
Balance at the end of year	<u>1,129,769</u>	<u>1,250,787</u>
<b>Total Reserves</b>	<u>8,418,320</u>	<u>8,867,110</u>
<b>(c) Accumulated Funds</b>		
Balance at the beginning of the year	11,024,180	10,230,174
Net surplus attributable to Guild	117,644	1,323,802
Transfer deficit/(surplus) to Quality Care Pharmacy Program reserve	121,018	(1,250,787)
Transfer from asset revaluation reserve (Sale of QLD Unit Trust)	252,213	-
Transfer from asset revaluation reserve (Sale of SA Unit Trust)	84,866	-
Transfer from asset revaluation reserve (Sale of VIC Unit Trust)	-	220,991
Transfer from asset revaluation reserve (Sale of APP Co Limited)	<u>-</u>	<u>500,000</u>
Balance at the end of the year	<u>11,599,921</u>	<u>11,024,180</u>
<b>NOTE 16 STATEMENT OF CASH FLOWS</b>		
<b>a) Reconciliation of cash</b>		
Cash balance comprises		
Cash on hand	800	950
Cash at bank	703,045	500,836
Cash on deposit	<u>5,218,479</u>	<u>2,419,811</u>
	<u>5,922,324</u>	<u>2,921,597</u>
<b>b) Reconciliation of the operating surplus to the net cash flows from operations</b>		
Operating surplus	117,644	1,323,802
Provision for long service leave	(85,655)	149,542
Provision for annual leave	110,350	87,868
Transfer of annual leave from branches	-	12,140
Depreciation of property, plant and equipment	199,038	157,269
Deficit / (surplus) on disposal of non current assets	12,082	(726)
Changes in assets and liabilities		
Increase/(decrease) in trade creditors	563,830	(364,005)
Increase in branch creditors	88,746	50,039
Increase/(decrease) in accrued expenses	238,576	(189,407)
(Increase) in trade debtors	(255,700)	(169,801)
Decrease in branch debtors	1,205	37,809
Decrease/(increase) in related parties debtors	294,329	(130,516)
(Increase)/decrease in prepayments	(56,710)	38,901
(Decrease)/Increase in income in advance	(6,120)	245,800
Increase in net GST payable	229,044	74,154
Increase in government grants	3,761,140	1,093,109
(Decrease) in voluntary levy	(182,255)	(307,326)
Increase in quality care standards project	-	51,251
	<u>5,029,544</u>	<u>2,159,903</u>

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**NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS**  
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	2002	2001
	\$	\$
<b>NOTE 17 LEASE COMMITMENTS</b>		
Operating leases (non-cancellable)		
Not later than one year	618,066	26,649
Not later than five years	2,965,179	8,090
Later than five years	887,127	-
	<u>4,470,372</u>	<u>34,739</u>

Operating leases have an average lease term of 5.3 years and an average rate of 7.90%.  
Operating leases are for motor vehicles and the National Secretariat's premises at Barton.

**NOTE 18 RELATED PARTY DISCLOSURES**

- a) The National Council of The Pharmacy Guild of Australia during the financial year comprised:

SI BANKS  
JOHN BRONGER  
HARVEY CUTHILL  
JOHN DORNAN  
JOHN DOWLING  
ROB FOSTER  
HUMPHREY GEORGE AM  
TIMOTHY LOGAN (appointed 1 March 2002)  
IAN MARSHALL  
KEVIN MCANUFF  
PETER MCBEATH  
DAVID NOTLE  
PATRICK REID  
KOS SCLAVOS (resigned 1 March 2002)  
BILL SCOTT  
IAN TODD  
RICK XYNIAS  
HARRY ZAFER

- b) The following related party transactions occurred during the financial year:

Transactions with related parties:

- i. The National Secretariat provided a loan of \$411,580 (2001 \$411,580) to the Gold Cross Products and Services Pty Ltd. Interest payments on the loan totalled \$25,944 (2001 \$25,944).  
The loan was made under normal terms and conditions.
- ii. The National Secretariat disposed of Guild Properties (QLD) Unit Trust on 30 June 2002 for a total cash consideration of \$739,038 to the Pharmacy Guild of Australia (Queensland Branch).
- iii. The National Secretariat disposed of Guild Properties (SA) Unit Trust on 30 June 2002 for a total cash consideration of \$239,420 to the Pharmacy Guild of Australia (South Australian Branch).

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	2002	2001
	\$	\$
iv. Subscriptions income was received from the following Branches:		
New South Wales	764,695	658,289
Victoria	483,222	421,096
Queensland	389,701	341,540
South Australia	154,905	135,472
Western Australia	218,002	197,106
Tasmania	63,815	53,926
Australian Capital Territory	24,705	22,056
	<u>2,099,045</u>	<u>1,829,485</u>
v. Branch debtors as at 30 June 2002 comprised:		
New South Wales	5,504	7,056
Victoria	7,355	5,892
Queensland	573	9,020
South Australia	-	1,502
Western Australia	8,295	1,692
Tasmania	4,258	3,483
Australian Capital Territory	5,540	4,085
	<u>31,525</u>	<u>32,730</u>
vi. Branch creditors as at 30 June 2002 comprised:		
New South Wales	18,761	32,356
Victoria	37,381	19,103
Queensland	87,431	13,433
South Australia	11,893	3,100
Western Australia	6,701	4,989
Tasmania	5,831	5,723
Australian Capital Territory	295	843
	<u>168,293</u>	<u>79,547</u>
vii. The National Secretariat has given a subsidy to the Tasmanian branch	<u>25,000</u>	<u>35,000</u>
viii. Rent charged to Branches and other related parties during the year.	<u>129,123</u>	<u>245,785</u>
ix. Certificate fees received from the Branches in relation to completion of modules in the Pharmacy Assistants training course.	<u>50,737</u>	<u>41,240</u>
x. During the year the National Secretariat received interest income from Guild Insurance & Financial Services Holdings Limited.	<u>764,782</u>	<u>751,067</u>

**THE PHARMACY GUILD OF AUSTRALIA - NATIONAL SECRETARIAT  
NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS  
FOR YEAR ENDED 30 JUNE 2002**

	2002 \$	2001 \$
xi. During the year the National Secretariat received income from Guild Insurance Limited.	<u>1,585,018</u>	<u>1,371,202</u>
xii. Distributions from unit trusts received by the National Secretariat were as follows:		
Guild Properties (Victoria) Unit Trust	-	90,069
Guild Properties (Queensland) Unit Trust	28,563	27,996
Guild Properties (South Australia) Unit Trust	<u>10,316</u>	<u>10,838</u>
	<u>38,879</u>	<u>128,903</u>
xiii. During the year the National Secretariat received income from Gold Cross Products and Services Pty Ltd.	<u>1,035,188</u>	<u>744,416</u>
xiv. During the year the National Secretariat paid commissions to the Branches on Gold Cross Products and Services Pty Ltd income.	<u>263,684</u>	<u>175,125</u>
xv. During the year the National Secretariat received sponsorship income from Gold Cross Products and Services Pty Ltd.	<u>70,000</u>	<u>-</u>

**NOTE 19 REMUNERATION OF NATIONAL COUNCILLORS**

(a) National Councillors' remuneration

Amounts received or due and receivable by the councillors of the Pharmacy Guild of Australia from the National Secretariat

<u>217,205</u>	<u>185,551</u>
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**NOTE 20 CONTINGENT LIABILITIES**

- (a) The Pharmacy Guild of Australia have guaranteed to meet any shortfall in the external debts for Gold Cross Products and Services Pty Ltd.
- (b) The Pharmacy Guild of Australia has guaranteed to meet any shortfall in the external debts of Australian Association of Consultant Pharmacists Pty Limited.

**NOTE 21 SEGMENT REPORTING**

The National Secretariat of The Pharmacy Guild of Australia operates in one business segment being provision of services to Pharmacists and in one geographical segment being within Australia.

**NOTE 22 SUBSEQUENT EVENTS**

There are no subsequent events.

**THE PHARMACY GUILD OF AUSTRALIA - NATIONAL SECRETARIAT**  
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**NOTE 23 FINANCIAL INSTRUMENTS**

**(a) Interest Rate Risk**

The entity's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities, is as follows:

	Weighted Average Effective Interest Rate		Floating Interest Rate		Fixed Interest Rate Maturing			
	2002 %	2001 %	2002 \$	2001 \$	Within 1 Year		1 to 5 Years	
<b>Financial Assets</b>								
Cash	3.84	3.95	703,845	501,786	-	-	-	-
Short Term Deposits	4.57	5.88	5,218,479	2,419,811	-	-	-	-
Amounts receivable from controlled entity								
Gold Cross Products & Services	6.30	6.30	-	-	411,580	411,580	-	-
GIFSH Limited *	5.08	6.53	-	-	-	-	8,000,000	3,000,000
GIFSH Limited *	5.65	5.65	-	-	-	-	10,833,551	10,833,551
<b>Total Financial Assets</b>			<b>5,922,324</b>	<b>2,921,597</b>	<b>411,580</b>	<b>411,580</b>	<b>18,833,551</b>	<b>13,833,551</b>
<b>Financial Liabilities</b>								
Unsecured loan	-	-	2,000,000	-	-	-	-	-

All other Financial Instruments are non interest bearing and therefore the entity is not exposed to any interest rate risk.

**(b) Credit Risk**

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognise financial assets is the carrying amount, net of any provisions for doubtful debts, as disclosed in the balance sheet and notes to the financial statements.

The entity does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the entity.

**Net Fair Values**

The net fair values of listed investments have been valued at the quoted market bid price at balance date adjusted for transaction costs expected to be incurred. For other assets and other liabilities approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments. Financial assets where the carrying amount exceeds net fair values have not been written down as the entity intends to hold these assets to maturity.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to and forming part of the accounts.

\* Guild Insurance and Financial Services Holdings Limited