



Australian Government

Australian Industrial Registry

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Mr Kenneth Cox
Vice President
Australian Capital Territory Branch
The Pharmacy Guild of Australia
PO Box 13
DEAKIN WEST ACT 2600

Dear Mr Cox,

**The Pharmacy Guild of Australia – Australian Capital Territory Branch
Financial Reports for the Year Ended 30th June 2006 - FR2006/436
Schedule 1 of the Workplace Relations Act 1996 (RAO Schedule)**

Thank you for the financial reports of the Australian Capital Territory Branch of The Pharmacy Guild of Australia for the year ended 30th June 2006. The documents were lodged in the Industrial Registry on 1st October 2006.

The documents have been filed.

I make the following comments to assist you in preparing financial documents in the future. You do not need to take any further action in respect of the documents that have been lodged.

Operating Report – Superannuation Trustees

The Operating Report is required to state whether any officer or member of the Branch is a trustee of a superannuation entity (or a director of a company that is a trustee of a superannuation entity) – see section 254(2)(d) of the RAO Schedule.

In the event that no officer or member of the Branch is a trustee or director of a superannuation entity, the Operating Report should include a comment to this effect.

General Purpose Financial Report (GPFR)

When preparing a GPFR, section 253(2) of the RAO Schedule requires a reporting unit to provide information that is specified in the Industrial Registrar's Reporting Guidelines. In particular, Guideline 11 sets out in detail those items of expense that must be disclosed by a reporting unit either in the notes to, or on the face of, a financial statement. Included are such items as:

- employment benefits paid to office holders (11(g));
- employment benefits paid to employees (other than office holders) (11(h));
- legal costs (11(j));
- fees and/or allowances paid for attendance at conferences (11(i));
- conference and meeting expenses (11(k));

Each of these items must be *separately* disclosed. It is therefore insufficient to group employment benefits paid to holders of office and to employees under the one item (as has occurred at Note 4(a)). In the event that employment benefits only relate to one category of persons (whether *office holders* or *employees*) the accounts should clearly indicate which category applies.

Similarly, it is insufficient to provide one figure for 'Meetings/Conferences'. In future years this figure must be divided up into, on the one hand, fees and/or allowances paid for attendance at conferences and, on the other, conference and meeting expenses.

Please do not hesitate to contact me by email at shane.ellard@air.gov.au or on (03) 8661 7767 if you wish to discuss this letter.

A copy of the financial report has been placed on the website maintained by the Industrial Registry at <http://www.e-airc.gov.au/175Vact>.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'S Ellard', written in a cursive style.

Shane Ellard
Statutory Services Branch

1 December 2006



The PHARMACY GUILD of AUSTRALIA
ACT BRANCH

Designated Officer's Certificate
S268 of Schedule 1B Workplace Relations Act 1996

I Kenneth Cox being the Vice President of The Pharmacy Guild of Australia ACT Branch Committee certify:

- that the documents lodged herewith are copies of the full report referred to in s268 of the RAO Schedule; and
- that the full report was made available to members on 5 September 2006; and
- that the full report was presented to a general meeting of members of the reporting unit on 27 September 2006 in accordance with section 266 of the RAO Schedule.

Kenneth Cox
Vice President
28 September 2006



The PHARMACY GUILD of AUSTRALIA
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The Pharmacy Guild of Australia A C T Branch

**Financial Report
For the Year Ended 30 June 2006**

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OPERATING REPORT

I, Kenneth Cox being the designated officer responsible for preparing this report for the financial year ended 30 June 2006 of The Pharmacy Guild of Australia – ACT Branch, report as follows:

(a) Principal Activities:

- (i) The Pharmacy Guild of Australia (“the Guild”) is an employers’ organisation servicing the needs of proprietors of independent community pharmacies and to represent their interests in industrial matters.
- (ii) The Guild functions as a single entity and acts under its Constitution and Rules and reports under the Workplace Relations (Registration and Accountability of Organisations) Legislation 2003.
- (iii) The development of Guild policy is the responsibility of the Guild’s supreme governing body, the National Council, on which all State and Territory Branches are represented.
- (iv) The implementation of this policy is overseen by the National Executive through the National Secretariat.
- (v) Within the framework of National Guild policy, development and implementation of the activities and operations of the ACT Branch is set by the members of the ACT Branch Committee.
- (vi) The ACT Branch continues its campaign to protect community pharmacy from any adverse regulatory changes to ACT legislation. The Pharmacy Protection Campaign involves a considerable amount of time and effort by Branch Committee and staff in protecting community pharmacy in the ACT as well as ensuring the retention of ownership principles in the ACT Health Professionals Act.
- (vii) The ACT Branch administered Third Agreement funded programs, such as Medication Management Review, Pharmacy Liaison Officer and Quality Care Pharmacy Program (QCPP). Third Agreement funding was provided from July 2000 to June 2005, with a 12 month extension to June 2006.

(b) Significant changes to the principal activities of the ACT Branch:

- (i) As advised in the 2005 Operating Report, responsibility for the ACT Branch’s Training Division was transferred to the Guild’s National Office in March 2005. Following changes at a National level in July 2005, the pharmacy assistant Certificate in Community Pharmacy training in the ACT is now being delivered by the NSW Branch of the Guild.
- (ii) The Branch investigated avenues to provide improved access to a comprehensive workplace relations service for ACT members. This culminated in the establishment of an Alliance membership arrangement with Australian Business

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Limited incorporating the State Chamber of NSW (ABL), effective 1 July 2006. As part of this arrangement, all ACT members will be entitled to access ABL's workplace relations advice line at no additional cost to their Guild membership fees.

- (iii) As part of the Guild's Pseudoephedrine Pharmacy Awareness Campaign the Branch held a Pseudoephedrine Pharmacy Workshop in May 2006 to raise awareness and understanding of the pseudoephedrine diversion issue.
- (iv) The Branch assisted the ACT Chemists' Golf Association in organising the Connecting Chemists in Canberra Golf Day and presentation dinner in November 2005.

(c) Significant changes to the financial affairs of the ACT Branch:

- (i) In order to cover the costs associated with the extensive Pharmacy Protection Campaign activities, the ACT Branch continued to receive financial support provided by the Guild's National Office through the member levy held in the Guild's fighting fund.
- (ii) Funding of \$6900 was received from the Commonwealth Department of Health and Aged Care for the Pseudoephedrine Pharmacy Workshop.
- (iii) At the June 2005 National Council meeting it was agreed that the National Secretariat would make funding up to \$50,000 available to the ACT Branch for any deficit incurred during 2005/2006. The Branch drew down \$25,000 during the year with the remaining \$25,000 available to offset this year's deficit of \$41,119. The National Office has made an ongoing commitment to continue to support the ACT Branch as required.

(d) Members advice:

- (i) Under Section 174 of the Registration and Accountability of Organisations schedule (RAO), a member may resign from membership by written notice addressed and delivered to the Branch Director. A notice of resignation from membership takes effect:
 - ◆ where the member ceases to be eligible to become a member of the Guild;
 - ◆ on the day on which the notice is received by the Guild; or
 - ◆ on the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to become a member;
- whichever is later, or in any other case:
 - ◆ at the end of three months after the notice is received by the Guild; or
 - ◆ on the day specified in the notice;
- whichever is later.

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- (ii) The register of members of the organisation was maintained in accordance with the RAO.

(e) Prescribed and other Information:

- (i) As at 30 June 2006 to which this report relates the number of members of the organisation was 50 including Honorary Life Members. Nominals and Associates totalled 8.
- (ii) As at 30 June 2006 the total number of employees employed by the reporting entity was 4 including 1 casual staff member.
- (iii) During the reporting period the following persons were members of the ACT Branch Committee of Management for the whole period unless stated otherwise:

Patrick Reid	Branch President
Kenneth Cox	Branch Vice President – Finance
Amanda Galbraith	Branch Vice President (position held from 26 September 2005)
Matthew Develin	Branch Vice President (position held until 26 September 2005)
Patrick White	
Honor Combley	26 September 2005 to 30 June 2006
Peter Downing	1 July 2005 to 23 January 2006
Jim Atkinson	1 July 2005 to 26 September 2005

As at 30 June 2006 there was one vacant position on Branch Committee.



Kenneth Cox
ACT Branch Vice President - Finance
4 September 2006

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Committee of Management's Certificate

I, Kenneth Cox, Vice President of the Pharmacy Guild of Australia ACT Branch, do state on behalf of the Branch Committee and in accordance with a resolution passed on 1 September 2006 by the Branch Committee in relation to the general purpose financial report (GPFR) of the Pharmacy Guild of Australia ACT Branch for the financial year ended 30 June 2006:

The Committee of Management declares in relation to the GPFR that in its opinion:

- (a) the financial statements and notes comply with Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the Industrial Registrar;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows for the Pharmacy Guild of Australia ACT Branch for the financial year ended 30 June 2006;
- (d) there are reasonable grounds to believe that The Pharmacy Guild of Australia ACT Branch will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of The Pharmacy Guild of Australia ACT Branch were held in accordance with the rules of the organisation;
 - (ii) the financial affairs of The Pharmacy Guild of Australia ACT Branch have been managed in accordance with the rules of the organisation;
 - (iii) the financial records of The Pharmacy Guild of Australia ACT Branch have been kept and maintained in accordance with the Registration and Accountability of Organisations (RAO) Schedule and Regulations;
 - (iv) to the knowledge of any member of the Branch Committee, there have been no instances where records of the organisation or other documents have not been furnished, or made available, to members or the Registrar in accordance with the requirements of section 272 of the RAO Schedule; and
 - (v) The Pharmacy Guild of Australia ACT Branch has complied with any order for inspection of financial records made by the Commissioner under section 273 of the RAO Schedule.
- (f) In relation to recovery of wages activity this is not relevant or applicable to this particular branch.



Kenneth Cox
ACT Branch Vice President - Finance
Canberra
4 September 2006

The PHARMACY GUILD of AUSTRALIA
ACT BRANCH



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Independent audit report to members of the Pharmacy Guild of Australia ACT Branch

Scope

The financial report and committee of management's responsibility

The financial report comprises the balance sheet, income statement, statement of change in equity, statement of cash flows, accompanying notes to the financial statements, and the committee of management's certificate for the Pharmacy Guild of Australia ACT Branch (the ACT Branch), for the year ended 30 June 2006.

The committee of management of the ACT Branch are responsible for preparing a financial report that presents fairly the financial position and performance of the ACT Branch, and that complies with Accounting Standards in Australia, in accordance with the *Workplace Relations Act 1996*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

We conducted an independent audit of the financial report in order to express an opinion on it to the members of the ACT Branch. Our audit was conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Workplace Relations Act 1996*, including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the ACT Branch's financial position, and of its performance as represented by the results of its operations and cash flows.

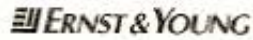
We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the committee of management.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

We performed procedures to assess whether the substance of business transactions was accurately reflected in the financial report. These and our other procedures did not include consideration or judgement of the appropriateness or reasonableness of the business plans or strategies adopted by the committee of management and management of the ACT Branch.

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Independence

We are independent of the ACT Branch, and have met the independence requirements of Australian professional ethical pronouncements.

Audit opinion

In our opinion, the financial report of the Pharmacy Guild of Australia ACT Branch presents fairly, in accordance with the *Workplace Relations Act 1996*, including Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the ACT Branch's financial position as at 30 June 2006, and of its performance as represented by the results of its operations and cash flows for the year then ended.

A handwritten signature in cursive script that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in cursive script that reads 'G J Knuckey'.

G J Knuckey
Partner
Registered Company Auditor
Chartered Accountant
Canberra
4 September 2006

The PHARMACY GUILD of AUSTRALIA
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**Income Statement
for the Year Ended 30 June 2006**

	<i>Note</i>	2006 \$	2005 \$
REVENUES FROM CONTINUING OPERATIONS	3	385,540	595,371
Remuneration and employee benefits expense	4(a)	(186,945)	(228,115)
Depreciation expense		(8,164)	(7,331)
Other expenses from continuing operations	4(b)	<u>(231,550)</u>	<u>(367,860)</u>
SURPLUS/(DEFICIT) FROM CONTINUING OPERATIONS BEFORE INCOME TAX EXPENSE		(41,119)	(7,935)
INCOME TAX EXPENSE RELATING TO CONTINUING OPERATIONS		<u>-</u>	<u>-</u>
(DEFICIT) FROM CONTINUING OPERATIONS AFTER INCOME TAX		<u>(41,119)</u>	<u>(7,935)</u>
(DEFICIT) ATTRIBUTABLE TO THE MEMBERS OF PHARMACY GUILD OF AUSTRALIA ACT BRANCH		<u>(41,119)</u>	<u>(7,935)</u>

The PHARMACY GUILD of AUSTRALIA
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**Balance Sheet
as at 30 June 2006**

	<i>Note</i>	2006 \$	2005 \$
CURRENT ASSETS			
Cash and cash equivalents	5	193,056	177,644
Trade and other receivables	6	39,685	66,772
Prepayments		8,093	7,179
Inventory		<u>1,794</u>	<u>2,758</u>
TOTAL CURRENT ASSETS		<u>242,628</u>	<u>254,353</u>
NON-CURRENT ASSETS			
Property, plant and equipment	7	<u>16,483</u>	<u>18,306</u>
TOTAL NON-CURRENT ASSETS		<u>16,483</u>	<u>18,306</u>
TOTAL ASSETS		<u>259,111</u>	<u>272,659</u>
CURRENT LIABILITIES			
Trade and other payables	8	59,311	73,955
Provision for employee benefits	9	37,345	17,089
Revenue received in advance		<u>32,875</u>	<u>5,950</u>
TOTAL CURRENT LIABILITIES		<u>129,531</u>	<u>96,994</u>
NON-CURRENT LIABILITIES			
Provision for employee benefits	9	<u>2,747</u>	<u>7,713</u>
TOTAL NON-CURRENT LIABILITIES		<u>2,747</u>	<u>7,713</u>
TOTAL LIABILITIES		<u>132,278</u>	<u>104,707</u>
NET ASSETS		<u><u>126,833</u></u>	<u><u>167,952</u></u>
EQUITY			
Equity attributable to beneficiaries of Pharmacy Guild of Australia ACT Branch			
Accumulated surpluses		<u>126,833</u>	<u>167,952</u>
TOTAL EQUITY		<u><u>126,833</u></u>	<u><u>167,952</u></u>

The PHARMACY GUILD of AUSTRALIA
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**Statement of Cash Flows
for the Year Ended 30 June 2006**

	<i>Note</i>	2006	2005
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		466,782	735,271
Payments to suppliers and employees		(440,586)	(667,664)
Interest received		11,163	9,235
GST paid		<u>(15,606)</u>	<u>(20,375)</u>
NET CASH FLOWS FROM /(USED IN) OPERATING ACTIVITIES	5(b)	<u>21,753</u>	<u>56,467</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		<u>(6,341)</u>	<u>(10,162)</u>
NET CASH FLOWS (USED IN) INVESTING ACTIVITIES		<u>(6,341)</u>	<u>(10,162)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		15,412	46,305
Cash and cash equivalents at beginning of period		177,644	131,339
CASH AND CASH EQUIVALENTS AT END OF PERIOD	5(a)	<u><u>193,056</u></u>	<u><u>177,644</u></u>

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**Statement of Change in Equity
for the Year Ended 30 June 2006**

	Accumulated Funds \$	Total Equity \$
At 1 July 2004	175,887	175,887
Deficit for the year	<u>(7,935)</u>	<u>(7,935)</u>
At 30 June 2005	167,952	167,952
Deficit for the year	(41,119)	(41,119)
At 30 June 2006	<u>126,833</u>	<u>126,833</u>

Notes to the Financial Statements for the Year Ended 30 June 2006

Note 1: Summary of Significant Accounting Policies

(a) Basis of Accounting

The financial report is a general purpose financial report which has been prepared in accordance with the requirements of the Workplace Relations Act 1996 which includes applicable Accounting Standards.

Statement of Compliance

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS).

This is the first financial report prepared based on AIFRS and comparatives for the year ended 30 June 2005 have been restated accordingly except for the adoption of AASB132 *Financial Instruments: Disclosure and Presentation* and AASB 139 *Financial Instruments: Recognition and Measurement*. The entity has adopted the exemption under AASB 1 *First-time Adoption of Australian equivalents to International Financial Reporting Standards* from having to apply AASB 132 and AASB 139 to the comparative period.

There have been no changes to the balances reported in the 30 June 2005 financial report and at transition from the adoption of AIFRS.

(b) Cash and cash equivalents

Cash in the balance sheet comprise cash at bank and in hand with an original maturity of three months or less.

For the purposes of the Cash Flow Statement, cash and cash equivalents consists of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(c) Inventories

Inventories are valued at the lower of cost and net realisable value.

(d) Taxes

Income Tax

The entity is exempt from income tax in accordance with Section 23(f) of the *Income Tax Assessment Act 1939*.

Notes to the Financial Statements for the Year Ended 30 June 2006

Note 1: Summary of Significant Accounting Policies (continued)

(d) Taxes (continued)

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

- (i) where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- (ii) receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Balance Sheet.

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

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(e) Trade and other receivables

The entity elected to apply the option available under AASB 1 of adopting AASB 132 and AASB 139 from 1 July 2005. Outlined below are the relevant accounting policies for trade and other receivables applicable for the years ended 30 June 2006 and 30 June 2005.

Accounting policies applicable for the year ended 30 June 2006

Trade receivables, which generally have 30-day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

An allowance for doubtful debts is made when there is objective evidence that the entity will not be able to collect the debts. Bad debts are written off when identified.

Notes to the Financial Statements for the Year Ended 30 June 2006

Note 1: Summary of Significant Accounting Policies (continued)

(e) Trade and other receivables (continued)

Accounting policies applicable for the year ended 30 June 2005

Trade receivables were recognised and carried at original invoice amount less a provision for any uncollectible debts. An estimate for doubtful debts was made when collection of the full amount was no longer probable. Bad debts were written off as incurred.

(f) Employee Benefits

(i) Wages, salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

(ii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(g) Property, plant and equipment

Cost and Valuation

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses.

Notes to the Financial Statements for the Year Ended 30 June 2006

Note 1: Summary of Significant Accounting Policies (continued)

(g) Property, plant and equipment (continued)

Depreciation

Depreciation is provided on a straight-line basis over the estimated useful life of the assets as follows:

Major depreciation periods are:	2006	2005
Plant & Equipment:		
- office equipment	3 years	3 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

Impairment

The carrying values of plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment exists when the carrying value of an asset exceeds its estimated recoverable amount. The asset is then written down to its recoverable amount.

For plant and equipment, impairment losses are recognised in the income statement.

(h) Trade and other payables

The entity has elected to apply the option available under AASB 1 of adopting AASB 132 and AASB 139 from 1 July 2005. Outlined below are the relevant accounting policies for trade and other payables applicable for the years ended 30 June 2006 and 30 June 2005.

Accounting policies applicable for the year ended 30 June 2006

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the entity prior to the end of the financial year that are unpaid

Notes to the Financial Statements for the Year Ended 30 June 2006

Note 1: Summary of Significant Accounting Policies (continued)

(h) Trade and other payables (continued)

and arise when the entity becomes obliged to make future payments in respect of the purchase of these goods and services.

Accounting policies applicable for the year ended 30 June 2005

Trade payables and other payables are carried at costs 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 entity.

(i) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Sale of Goods

Control of the goods has passed to the buyer.

Membership subscriptions

Revenue from membership subscriptions is recognised over the period of the membership.

Commissions

Revenue from commissions is recognised as and when the sale has occurred.

Interest

The entity has elected to apply the option available under AASB 1 of adopting AASB 132 and AASB 139 from 1 July 2005. Outlined below are the relevant accounting policies for interest income applicable for the years ended 30 June 2006 and 30 June 2005.

Accounting policies applicable for the year ended 30 June 2006

Revenue is recognized as interest accrues using the effective interest method.

Accounting policies applicable for the year ended 30 June 2005

Revenue is recognized when the entity's right to receive payment is established.

Notes to the Financial Statements for the Year Ended 30 June 2006

Note 1: Summary of Significant Accounting Policies (continued)

(j) Comparatives

Where necessary comparatives have been reclassified for consistency with current year disclosures.

Note 2: Information to be Provided to Members or Registrar

In accordance with the requirements of the Registration and Accountability of Organisations Schedule (RAO) (Schedule 1B to the Workplace Relations Act 1996), the attention of members is drawn to the provisions of sub-sections (1), (2), and (3) of Section 272, which read as follows:

- (1) A member of a reporting unit, or a Registrar, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- (2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- (3) A reporting unit must comply with an application made under subsection (1).

In accordance with the Determination of reporting guidelines for the purposes of section 270 and section 253 of RAO Schedule, a recovery of wages activity financial report must be prepared where the reporting unit has undertaken recovery of wages activity (and has derived revenues for the financial year in respect of such activity). This is not relevant or applicable to this particular branch.

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**Notes to the Financial Statements
for the Year Ended 30 June 2006**

Note 3: Revenues from Continuing Operations

	2006	2005
	\$	\$
Revenues from Continuing Operations		
Subscriptions from members	101,335	98,227
Commissions	71,986	72,623
National Training Programs	-	57,205
Campaign funding (NCC & PPC)	26,820	15,250
Merchandising	15,698	16,423
Professional Services	64,447	221,187
Project Income	6,273	32,308
Training Pharmacists	-	9,920
Consultancy Fees	38,602	47,047
Interest Income	11,163	9,235
Other	49,216	15,946
Total revenues from Continuing Operations	<u>385,540</u>	<u>595,371</u>

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**Notes to the Financial Statements
for the Year Ended 30 June 2006**

Note 4: Expenses	2006	2005
	\$	\$
(a) Remuneration and employee benefits expense		
Wages and salaries	146,310	188,505
Annual leave and sick leave	11,962	10,781
Long service leave	13,072	4,849
Superannuation	13,798	17,165
Other employee expenses	1,803	6,815
Total remuneration and employee expenses	<u>186,945</u>	<u>228,115</u>
(b) Other expenses from continuing operations		
Annual Dinner	-	6,552
Professional services (MMR, QCPP)	853	12,912
General Administration	84,054	40,210
Meetings/Conferences	4,260	5,361
Donations	100	4,955
Insurance	11,238	14,378
Merchandising	5,149	6,184
Membership subscriptions (paid to National Secretariat)	64,255	62,136
Payroll tax	11,700	13,878
PAPP expenses (excluding employee costs)	527	147,875
Printing and stationery	7,083	9,274
Remuneration to auditors	15 4,850	3,500
Rental expense	29,789	24,034
Telephone and communication	7,692	8,806
Training Pharmacists	-	7,805
Total other expenses from continuing operations	<u>231,550</u>	<u>367,860</u>

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**Notes to the Financial Statements
for the Year Ended 30 June 2006**

Note 5: Cash and cash equivalents

	2006	2005
	\$	\$
(a) Reconciliation of cash		
Cash on hand	1,478	100
Cash at bank	<u>191,578</u>	<u>177,544</u>
	<u>193,056</u>	<u>177,644</u>
 (b) Reconciliation of operating deficit after tax to the net cash flows from operations		
Operating deficit	(41,119)	(7,935)
Non cash items		
Depreciation	8,164	7,331
Changes in assets and liabilities		
Decrease / (Increase) in trade and other receivables	27,087	115,530
Decrease / (Increase) in prepayments	(914)	2,512
Decrease / (Increase) in inventory	964	(904)
Increase / (Decrease) in trade and other payables	(14,644)	(41,267)
Increase / (Decrease) in revenue received in advance	26,925	(25,180)
Increase / (Decrease) in provision for employee benefits	15,290	6,380
Net cash flows from operating activities	<u><u>21,753</u></u>	<u><u>56,467</u></u>

Cash at bank earns interest at floating rates based on daily bank deposit rates.

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Notes to the Financial Statements for the Year Ended 30 June 2006

Note 6: Trade and other receivables	2006	2005
	\$	\$
Trade debtors	25,719	59,447
Other debtors	9,962	2,340
GST credits available	4,004	4,985
	<u>39,685</u>	<u>66,772</u>

Trade receivables are non-interest bearing and are generally on 30-day terms. An allowance for doubtful debts is made when there is objective evidence that a trade receivable is impaired.

Note 7: Property, plant and equipment

Office equipment - at cost	40,565	34,428
Provision for depreciation	<u>(24,082)</u>	<u>(16,122)</u>
	<u>16,483</u>	<u>18,306</u>

Reconciliation of movements

<i>Property, plant and equipment</i>		
Carrying amount at beginning	18,306	15,475
Additions	6,341	10,162
Depreciation expense	<u>(8,164)</u>	<u>(7,331)</u>
Carrying amount at end	<u>16,483</u>	<u>18,306</u>

Note 8: Trade and other payables

Trade creditors	4,664	20,361
Accrued expenses	6,322	6,536
Salaries payable	4,266	4,640
GST payable	4,856	4,981
PAYG payable	3,256	10,406
Payroll Tax payable	683	229
Credit Card payable	-	4,768
Unspent Program Funds (MMR, PLO)	32,240	21,808
Other	<u>3,024</u>	<u>226</u>
	<u>59,311</u>	<u>73,955</u>

Trade payables are non-interest bearing and are normally settled on 30-day terms.

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**Notes to the Financial Statements
for the Year Ended 30 June 2006**

Note 9: Provisions for employee benefits	2006	2005
	\$	\$
Provisions		
<i>Current</i>		
Employee benefits		
- Annual leave	18,393	16,175
- Long-service leave	18,952	914
	<u>37,345</u>	<u>17,089</u>
<i>Non-current</i>		
Employee benefits		
- Long-service leave	2,747	7,713
	<u>2,747</u>	<u>7,713</u>
	<u>40,092</u>	<u>24,802</u>

Note 10 Events after the balance sheet date

There have been no significant events that have occurred subsequent to 30 June 2006.

Note 11 Financial risk management objectives and policies

The entity's principal financial instruments comprise cash at bank , trade debtors and trade creditors, which arise directly from its operations.

The main risk arising from the entity's financial instruments is credit risk. The Branch reviews and agrees policies for managing this risk and is summarised below.

Credit risk

The Branch minimises concentrations of credit risk in relation to trade accounts receivable by undertaking transactions with members.

In addition, receivable balances are monitored on an ongoing basis with the result that the entity's exposure to bad debts is not significant.

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Note 12 Financial Instruments

**Notes to the Financial Statements
for the Year Ended 30 June 2006**

12 (a) Interest rate risk

The branch's exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities are as follows:

Financial Instruments	Floating interest rate		Fixed interest rate maturing in:						Non-interest bearing		Total carrying amount as per the balance sheet		Weighted average effective interest rate	
			1 year or less		Over 1 to 5 years		More than 5 years							
	2006 \$	2005 \$	2006 \$	2005 \$	2006 \$	2005 \$	2006 \$	2005 \$	2006 \$	2005 \$	2006 \$	2005 \$	2006 \$	2005 \$
(i) Financial assets														
Cash	191,578	177,544	-	-	-	-	-	-	1,478	100	193,056	177,644	5.45%	5.20%
Receivables - Trade and others	-	-	-	-	-	-	-	-	39,685	66,772	39,685	66,772	N/A	N/A
Total financial assets	191,578	177,544	-	-	-	-	-	-	41,163	66,872	232,741	244,416		

N/A Not applicable for non interest bearing financial instruments.

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**Notes to the Financial Statements
for the Year Ended 30 June 2006**

Note 12 Financial Instruments (continued)

12 (a) Interest rate risk (continued)

Financial Instruments	Floating interest rate		Fixed interest rate maturing in:						Non-interest bearing		Total carrying amount as per the balance sheet		Weighted average effective interest rate	
			1 year or less		Over 1 to 5 years		More than 5 years							
	2006 \$	2005 \$	2006 \$	2005 \$	2006 \$	2005 \$	2006 \$	2005 \$	2006 \$	2005 \$	2006 \$	2005 \$	2006 \$	2005 \$
(i) Financial liabilities														
Trade and other payables	-	-	-	-	-	-	-	-	27,071	52,147	27,071	52,147	N/A	N/A
Total financial Liabilities	-	-	-	-	-	-	-	-	27,071	52,147	27,071	52,147		

N/A Not applicable for non-interest bearing financial instruments.

Notes to the Financial Statements for the Year Ended 30 June 2006

Note 12 Financial Instruments (continued)

12 (b) Net fair values

Financial assets and financial liabilities, at balance date, are carried at their net fair value. The carrying amounts of the Branch's financial assets and financial liabilities are the same as their net fair value.

(i) The following methods and assumptions are used to determine the net fair values of financial assets and liabilities

Recognised financial instruments

Cash and cash equivalents: The carrying amount approximates fair value because of their short-term to maturity.

Receivables and payables: The carrying amount approximates fair value.

Note 13: Segment Information

The Branch operates in the one business and geographical segment, being directed towards the mutual aid and promotion of the interests of its members in the retail pharmacy sector wholly within the Australian Capital Territory.

Note 14: Related Party Disclosures

The Committee members of the Pharmacy Guild of Australia ACT Branch during the financial year were:

Patrick Reid

Kenneth Cox

Matthew Develin

Amanda Galbraith

Patrick White

Jim Atkinson (until 26 September 2005)

Peter Downing (until 23 January 2006)

Honor Combley (from 26 September 2005 to 30 June 2006)

The Branch President was reimbursed for out-of-pocket expenses in respect of his attendances as a representative of the Branch at conferences and meetings amounting to \$19,184 (2005 : \$1,291) during the year.

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Notes to the Financial Statements for the Year Ended 30 June 2006

Note 14: Related Party Disclosures (continued)

Transactions with Other Related Parties

Commission revenue of \$71,986 (2005: \$70,283) was received or receivable at 30 June 2006 from other entities under common control and the National Secretariat. Revenue is recognised as earned and receivable on normal commercial terms.

Other revenue received from the National Secretariat of The Pharmacy Guild of Australia includes the following:

- Funding amounting to \$71,273 for programs including the Pharmacy Liaison Officer and Medication Management Review and the Pseudoephedrine Pharmacy Workshops;
- Branch support amounting to \$89,549 for items including the Branch Director retainer, the Pharmacy Protection Campaign and Branch Committee support; and
- Reimbursements amounting to \$14,751 for items including charges against the Quality Care Pharmacy Program.

Trade and other debtors as at 30 June 2006, include the following:

- Funding receivable from the National Secretariat for the Pharmacy Liaison Officer, Medication Management Review, Quality Care Pharmacy Program and the Pseudoephedrine Pharmacy Workshops amounting to \$19,628.

The Branch paid \$64,255 (2005: \$62,135) for national dues to the National Secretariat of The Pharmacy Guild of Australia.

Trade creditors as at 30 June 2006, include the following:

- General office expenses due to the National Secretariat amounting to \$1,650.

Note 15: Auditors' Remuneration

	2006 \$	2005 \$
Auditors' remuneration		
Audit	4,850	3,500
Other services	-	2,000
	<u>4,850</u>	<u>5,500</u>