



**Australian Government**

**Australian Industrial Registry**

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Melbourne, VIC 3000  
GPO Box 1994, Melbourne, VIC 3001  
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Fax: (03) 9655 0410  
Email: [ian.stewart@air.gov.au](mailto:ian.stewart@air.gov.au)

Mr Kenneth Cox  
Vice President  
The Pharmacy Guild of Australia  
Australian Capital Territory Branch

email: [guild.act@guild.org.au](mailto:guild.act@guild.org.au)

Dear Mr Cox

**Re: Financial Report for the year ended 30 June 2007 – FR2007/422**

I acknowledge receipt of the financial report for The Pharmacy Guild of Australia, Australia Capital Territory Branch for the year ended 30 June 2007. The report was lodged with the Registry on 5 October 2007.

The financial report has been filed.

I make the following comments to assist you when you next prepare a financial report. You are not required to take any further action in respect of the report lodged.

**Operating Report**

The operating report must contain the following:

*Right of members to resign*

Subsection 254(2)(c) of Schedule 1 of the Workplace Relations Act 1996 (the RAO Schedule) requires the operating report to “give details” of the right of members to resign from the reporting unit under section 174 of the RAO Schedule. The requirement may be met by the inclusion of a statement that a member has the right to resign and a reference to the relevant rule, which makes such provision. Alternatively, the complete text of the relevant resignation rule may be reproduced in the report. It would appear in this case that rule 36 of the organisation’s Rules is applicable.

**Committee of Management Statement and Notes to the Financial Statements**

*Recovery of Wages*

I note that the report provides information in relation to any recovery of wages activity. This information is not required to be provided by The Pharmacy Guild of Australia, ACT Branch.

**Auditors Report**

*Auditor’s Qualifications*

In future financial years the Auditor’s Report should be amended so that it provides details of the Auditor’s qualifications to confirm he or she is an ‘approved auditor’ under section 256 of the RAO Schedule and Regulation 4 of the RAO Regulations.

Regulation 4 defines an approved auditor as a person who is a member of CPA Australia, The Institute of Chartered Accountants in Australia or the National Institute of Accountants and holds a current Public Practice Certificate.

**References to Schedule 1B**

The Financial Report contains references to Schedule 1B of the *Workplace Relations Act 1996*. Such references should now be to Schedule 1.

If you wish to discuss any of the matters referred to above I can be contacted on (03) 8661 7787 (Mon-Thurs).

Yours sincerely

A handwritten signature in black ink that reads "Iain Stewart". The signature is written in a cursive, slightly slanted style.

Iain Stewart  
Manager, Team 3  
Statutory Services Branch

13 November 2007



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 3 September 2007; and
- that the full report was presented to a general meeting of members of the reporting unit on 24 September 2007 in accordance with section 266 of the RAO Schedule.

Kenneth Cox  
Vice President  
2 October 2007





The PHARMACY GUILD of AUSTRALIA  
ACT BRANCH

# The Pharmacy Guild of Australia A C T Branch

Financial Report  
For the Year Ended 30 June 2007

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**The PHARMACY GUILD of AUSTRALIA  
ACT BRANCH**

**Operating Report**

I, Kenneth Cox, being the designated officer responsible for preparing this report for the financial year ended 30 June 2007 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.
- (vii) In conjunction with the Guild's National Secretariat, the ACT Branch continued to administer programs funded by the Fourth Community Pharmacy Agreement, including Medication Management Reviews and the Quality Care Pharmacy Program (QCPP). Fourth Agreement funding was provided for the entire reporting period and will be ongoing for the term of the Fourth Agreement (to 30 June 2010).

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

- (i) The ACT Branch took control of the running of the ACT Chemists' Golf Association Annual Chemists' Golf Day and Presentation Dinner held in November each year.
- (ii) The ACT Branch provided a WorkChoices seminar in November 2006 followed by one-on-one consultations in March 2007. Funding was provided by the Australian Government Department of Employment and Workplace Relations under Phase II of their Employer Advisor Programme. Expert advice on the WorkChoices reforms was provided by the Guild's National Director, Workplace Relations and the Industrial Relations Manager, NSW Branch.

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

- (i) In accordance with National Council's decision to provide support to the ACT Branch, subsidy funding totalling \$103,471 has been provided during 2006/2007. Of this amount \$25,000 was paid as the remainder of supplementary funding approved for the 2005/2006 year. National Council has made an ongoing commitment to support the ACT Branch based on approved budgets and as such the reported shortfall for the 2006/2007 year will be offset by additional funding.
- (ii) Funds held by the ACT Chemists' Golf Association amounting to \$6,564 were transferred to the ACT Branch following the decision for the Branch to take control of the Annual Chemists' Golf Day and Presentation Dinner. These funds have been set aside in a liability account should they be required for use at a later date.
- (iii) Funding of \$8,800 for the WorkChoices presentations was received from the Australian Government Department of Employment and Workplace Relations through Phase II of their Employer Advisor Programme.

**(d) Superannuation Trustees**

- (i) No officer or member of the Branch is a trustee or director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme.

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

**(f) Prescribed and other Information:**

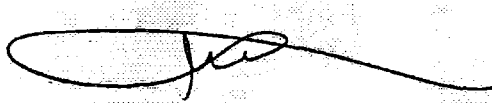
- (i) As at 30 June 2007, to which this report relates, the number of members of the organisation was 53, including Honorary Life Members. Nominals and Associates totalled 5.
- (ii) As at 30 June 2007 the total number of employees employed by the reporting entity was 4. In March 2007 the ACT Branch Director Ann Dalton was seconded to the Guild's National

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Office to take up the position of Director, Quality Care Pharmacy Program (Acting). In May 2007 Catherine Bergin was appointed to the position of Director, ACT Branch (Acting). This temporary arrangement is for a six month period until November 2007.

- (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
Matthew Develin	Branch Vice President
Patrick White	
Honor Combley	
Julian Nguyen	17 October 2006 to 30 June 2007



Kenneth Cox  
ACT Branch Vice President - Finance  
29 August 2007

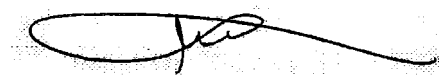
**The PHARMACY GUILD of AUSTRALIA  
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**Committee of Management's Certificate**

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 29 August 2007 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 2007:

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 2007;
- (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) The financial records of the Branch have been kept, as far as practicable, in a consistent manner to each of the other Branches of the Pharmacy Guild of Australia;
  - (v) 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
  - (vi) 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, 29 August 2007



## **Independent auditor's report to the members of the Pharmacy Guild of Australia ACT Branch**

We have audited the accompanying financial report of the Pharmacy Guild of Australia ACT Branch, which comprises the balance sheet as at 30 June 2007, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the Committee of Management's Certificate.

### *Committee of Management's Responsibility for the Financial Report*

The Committee of Management of the branch is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and with the Workplace Relations Act 1996. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the Committee of Management also state that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Committee of Management, as well as evaluating the overall presentation of the financial report.

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

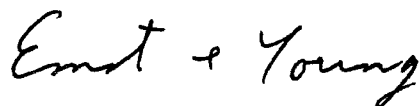
### *Independence*

In conducting our audit we have met the independence requirements of the Australian professional accounting bodies. In addition to our audit of the financial report, we were engaged to undertake the services disclosed in the notes to the financial statements. The provision of these services has not impaired our independence.

*Auditor's Opinion*

In our opinion:

1. the financial report presents fairly, in all material respects, the financial position of the Pharmacy Guild of Australia ACT Branch as of 30 June 2007, and of its financial performance and cash flows for the year then ended in accordance with the Workplace Relations Act 1996 and Australian Accounting Standards (including the Australian Accounting Interpretations); and
2. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.



Ernst & Young



G J Knuckey  
Partner  
Registered Company Auditor  
Chartered Accountant  
Canberra  
29 August 2007

**The PHARMACY GUILD of AUSTRALIA  
ACT BRANCH**

**Income Statement  
For the Year Ended 30 June 2007**

	<i>Note</i>	2007	2006
		\$	\$
<b>REVENUES FROM CONTINUING OPERATIONS</b>	3	444,257	385,540
Remuneration and employee benefits expense	4(b)	(206,621)	(186,945)
Depreciation expense		(5,693)	(8,164)
Other expenses from continuing operations	4(c)	(249,078)	(231,550)
<b>SURPLUS/(DEFICIT) FROM CONTINUING OPERATIONS BEFORE INCOME TAX EXPENSE</b>		(17,135)	(41,119)
<b>INCOME TAX EXPENSE</b>		-	-
<b>(DEFICIT) FROM CONTINUING OPERATIONS AFTER INCOME TAX</b>		<u>(17,135)</u>	<u>(41,119)</u>
<b>(DEFICIT) ATTRIBUTABLE TO THE MEMBERS OF PHARMACY GUILD OF AUSTRALIA ACT BRANCH</b>		<u>(17,135)</u>	<u>(41,119)</u>

**The PHARMACY GUILD of AUSTRALIA  
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**Balance Sheet  
As at 30 June 2007**

	<i>Note</i>	<b>2007</b>	<b>2006</b>
		\$	\$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	157,165	193,056
Trade and other receivables	6	42,267	39,685
Prepayments		6,358	8,093
Inventory		<u>1,569</u>	<u>1,794</u>
<b>TOTAL CURRENT ASSETS</b>		<u>207,359</u>	<u>242,628</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	<u>15,240</u>	<u>16,483</u>
<b>TOTAL NON-CURRENT ASSETS</b>		<u>15,240</u>	<u>16,483</u>
<b>TOTAL ASSETS</b>		<u>222,599</u>	<u>259,111</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	8	37,407	59,311
Provision for employee benefits	9	45,629	37,345
Revenue received in advance		<u>22,907</u>	<u>32,875</u>
<b>TOTAL CURRENT LIABILITIES</b>		<u>105,943</u>	<u>129,531</u>
<b>NON-CURRENT LIABILITIES</b>			
Provision for employee benefits	9	<u>6,958</u>	<u>2,747</u>
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>6,958</u>	<u>2,747</u>
<b>TOTAL LIABILITIES</b>		<u>112,901</u>	<u>132,278</u>
<b>NET ASSETS</b>		<u>109,698</u>	<u>126,833</u>
<b>EQUITY</b>			
<b>Equity attributable to the members of Pharmacy Guild of Australia ACT Branch</b>			
Accumulated surpluses		<u>109,698</u>	<u>126,833</u>
<b>TOTAL EQUITY</b>		<u>109,698</u>	<u>126,833</u>

The PHARMACY GUILD of AUSTRALIA  
ACT BRANCH

**Statement of Cash Flows  
For the Year Ended 30 June 2007**

	<i>Note</i>	<b>2007</b> \$	<b>2006</b> \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		429,681	466,782
Payments to suppliers and employees		(456,620)	(440,586)
Interest received		11,994	11,163
GST paid		<u>(16,494)</u>	<u>(15,606)</u>
<b>NET CASH FLOWS FROM /(USED IN) OPERATING ACTIVITIES</b>	5(b)	<u>(31,439)</u>	<u>21,753</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		<u>(4,452)</u>	<u>(6,341)</u>
<b>NET CASH FLOWS (USED IN) INVESTING ACTIVITIES</b>		<u>(4,452)</u>	<u>(6,341)</u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		(35,891)	15,412
Cash and cash equivalents at beginning of period		193,056	177,644
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	5(a)	<u><u>157,165</u></u>	<u><u>193,056</u></u>

The PHARMACY GUILD of AUSTRALIA  
ACT BRANCH

Statement of Change in Equity  
For the Year Ended 30 June 2007

	Accumulated Funds \$	Total Equity \$
At 30 June 2005	167,952	167,952
Deficit for the year	<u>(41,119)</u>	<u>(41,119)</u>
At 30 June 2006	126,833	126,833
Deficit for the year	<u>(17,135)</u>	<u>(17,135)</u>
At 30 June 2007	<u>109,698</u>	<u>109,698</u>

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**Notes to the Financial Statements  
For the Year Ended 30 June 2007**

**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).

**(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*.

*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 PHARMACY GUILD of AUSTRALIA  
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**Notes to the Financial Statements  
For the Year Ended 30 June 2007**

**Note 1: Summary of Significant Accounting Policies (continued)**

***(d) Income tax (Continued)***

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***

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

Collectibility of trade debtors is reviewed on an ongoing basis. 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.

***(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.



The PHARMACY GUILD of AUSTRALIA  
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**Notes to the Financial Statements  
For the Year Ended 30 June 2007**

**Note 1: Summary of Significant Accounting Policies (continued)**

**(g) Property, plant and equipment**

*Cost and Valuation*

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

*Depreciation*

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

Major depreciation periods are:	2007	2006
Plant and equipment:		
- office equipment	3 -5 years	3-5 years
- furniture & fitting	20 years	20 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**

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

**The PHARMACY GUILD of AUSTRALIA  
ACT BRANCH**

**Notes to the Financial Statements  
For the Year Ended 30 June 2007**

**Note 1: Summary of Significant Accounting Policies (continued)**

**(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*

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

**(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).

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ACT BRANCH**

**Notes to the Financial Statements  
For the Year Ended 30 June 2007**

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.

**Note 3: Revenues from Continuing Operations**

	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>
<b>Revenues from Continuing Operations</b>		
Subsidy –National Secretariat	103,471	25,000
Subscriptions from members	101,917	101,335
Commissions	67,886	71,986
Consultancy Fees	46,146	38,602
Professional Services	44,155	64,447
Events (Annual Dinner & Golf day)	29,295	20,816
Campaign funding (NCC & PPC)	-	26,820
Merchandising	17,484	15,698
Interest Income	11,994	11,163
Project Income	8,826	6,273
Training Pharmacists	9,665	-
Other	3,418	3,400
	<hr/>	<hr/>
<b>Total revenues from Continuing Operations</b>	<b>444,257</b>	<b>385,540</b>
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The PHARMACY GUILD of AUSTRALIA  
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**Notes to the Financial Statements  
For the Year Ended 30 June 2007**

**Note 4: Expenses**

	2007	2006
	\$	\$
<b>(a) Employment benefits paid to office holders</b>	<u>-</u>	<u>-</u>
<b>(b) Employment benefits paid to non-office holders</b>		
Wages and salaries	152,675	146,310
Annual leave and sick leave	19,195	11,962
Long service leave	9,931	13,072
Superannuation	23,419	13,798
Other employee expenses	<u>1,401</u>	<u>1,803</u>
<b>Total remuneration and employee expenses</b>	<u>206,621</u>	<u>186,945</u>
<b>(c) Other expenses from continuing operations</b>		
Events (Annual Dinner & Golf day)	17,833	9,738
Membership subscriptions (paid to National Secretariat)	65,156	64,255
Membership fees-organisations	7,708	4,038
General Administration	42,168	49,586
Conference and meeting expenses	5,840	4,260
Conference and meeting attendance fees/allowances *	24,127	20,692
Donations	110	100
Insurance	11,729	11,238
Merchandising	5,479	5,149
Payroll tax	13,483	11,700
PAPP expenses (excluding employee costs)	-	527
Printing and stationery	4,248	7,083
Remuneration to auditors	6,400	4,850
Professional services (MMR, QCPP)	-	853
Rental expense	31,602	29,789
Telephone and communication	5,749	7,692
Training Pharmacists	7,446	-
Legal fees	<u>-</u>	<u>-</u>
<b>Total other expenses from continuing operations</b>	<u>249,078</u>	<u>231,550</u>

\* refer to Note 14 for amounts reimbursed to office holders

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**Notes to the Financial Statements  
For the Year Ended 30 June 2007**

**Note 5: Cash and cash equivalents**

	2007	2006
	\$	\$
<b>(a) Reconciliation of cash</b>		
Cash on hand	100	1,478
Cash at bank	<u>157,065</u>	<u>191,578</u>
	<u>157,165</u>	<u>193,056</u>

Cash at bank earns interest at floating rates based on daily bank deposit rates. The carrying amounts of cash and cash equivalents represent fair values.

**(b) Reconciliation of operating deficit after tax to the net cash flows from operations**

Operating deficit	(17,135)	(41,119)
<b>Non cash items</b>		
Depreciation	5,693	8,164
<b>Changes in assets and liabilities</b>		
Decrease / (Increase) in trade and other receivables	(2,582)	27,087
Decrease / (Increase) in prepayments	1,736	(914)
Decrease / (Increase) in inventory	225	964
Increase / (Decrease) in trade and other payables	(21,904)	(14,644)
Increase / (Decrease) in revenue received in Advance	(9,968)	26,925
Increase / (Decrease) in provision for employee Benefits	<u>12,496</u>	<u>15,290</u>
<b>Net cash flows from operating activities</b>	<u>(31,439)</u>	<u>21,753</u>

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**Notes to the Financial Statements  
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<b>Note 6: Trade and other receivables</b>	<b>2007</b>	<b>2006</b>
	\$	\$
Trade debtors	23,972	25,719
Other debtors	11,019	9,962
GST credits available	7276	4,004
	<u>42,267</u>	<u>39,685</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	32,874	36,190
Provision for depreciation	<u>(21,490)</u>	<u>(23,783)</u>
	<u>11,384</u>	<u>12,408</u>
Furniture & Fittings - at cost	4,375	4,375
Provision for depreciation	<u>(519)</u>	<u>(300)</u>
	<u>3,856</u>	<u>4,075</u>

**Reconciliation of movements**

<i>Property, plant and equipment</i>		
Carrying amount at beginning	16,483	18,306
Additions	4,448	6,341
Depreciation expense	<u>(5,693)</u>	<u>(8,164)</u>
Carrying amount at end	<u>15,240</u>	<u>16,483</u>

**Note 8: Trade and other payables**

Trade creditors	7,200	4,664
Accrued expenses	7,166	6,322
Salaries payable	3,045	4,266
GST payable	7,230	4,856
PAYG payable	2,074	3,256
Payroll Tax payable	254	683
Unspent Program Funds (MMR)	1,861	32,240
ACT Chemists' Golf Funds	6,564	-
Other	<u>2,013</u>	<u>3,024</u>
	<u>37,407</u>	<u>59,311</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 2007**

<b>Note 9: Provisions for employee benefits</b>	<b>2007</b>	<b>2006</b>
	\$	\$
<b>Provisions</b>		
<i>Current</i>		
Employee benefits		
- Annual leave	20,956	18,393
- Long-service leave	24,673	18,952
	<u>45,629</u>	<u>37,345</u>
<i>Non-current</i>		
Employee benefits		
- Long-service leave	6,958	2,747
	<u>6,958</u>	<u>2,747</u>
	<u>52,587</u>	<u>40,092</u>

**Note 10 Events after the balance sheet date**

There have been no significant events that have occurred subsequent to 30 June 2007.

**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 2007**

**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							
	2007 \$	2006 \$	2007 \$	2006 \$	2007 \$	2006 \$	2007 \$	2006 \$	2007 \$	2006 \$	2007 \$	2006 \$	2007 \$	2006 \$
<b>(i) Financial assets</b>														
Cash	157,065	191,578	-	-	-	-	-	-	100	1,478	157,165	193,056	5.95%	5.45%
Receivables - Trade and others	-	-	-	-	-	-	-	-	42,267	39,685	42,267	39,685	N/A	N/A
<b>Total financial assets</b>	<b>157,065</b>	<b>191,578</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>42,367</b>	<b>41,163</b>	<b>199,432</b>	<b>232,741</b>		

N/A Not applicable for non interest bearing financial instruments



**The PHARMACY GUILD of AUSTRALIA  
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**Notes to the Financial Statements  
For the Year Ended 30 June 2007**

**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							
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>(i) Financial liabilities</b>														
Trade and other payables	-	-	-	-	-	-	-	-	35,546	27,071	35,546	27,071	N/A	N/A
Total financial Liabilities	-	-	-	-	-	-	-	-	35,546	27,071	35,546	27,071		

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 2007**

**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 ACT 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  
Honor Combley  
Julian Nguyen (from 17<sup>th</sup> October 2006)

The Branch Committee members were reimbursed for attendances as a representative of the ACT Branch at conferences and meetings amounting to \$22,867 (2006: \$19,184) during the year.

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Notes to the Financial Statements  
For the Year Ended 30 June 2007

**Note 14: Related Party Disclosures (continued)**

*Transactions with Other Related Parties*

Commission revenue of \$67,886 (2006: \$71,986) was received or receivable at 30 June 2007 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 includes the following:

- Funding amounting to \$18,826 for programs including Medication Management Review and Work Choice Employer Advisor Programme;
- Branch support amounting to \$124,531 for items including the Branch Director retainer and subsidy; and
- Reimbursements amounting to \$46,338 for items including charges against the Quality Care Pharmacy Program.

Trade and other debtors as at 30 June 2007 include the following:

- Funding and reimbursements receivable from the National Secretariat amounting to \$22,452.

The ACT Branch paid \$64,533 (2006: \$64,255) for national dues to the National Secretariat of The Pharmacy Guild of Australia.

Trade creditors as at 30 June 2007, include the following:

- General office expenses and membership fees due to the National Secretariat amounting to \$1,926.

**Note 15: Auditors' Remuneration**

	2007 \$	2006 \$
Auditors' remuneration		
Audit – financial statement	5,000	4,850
Audit – Grant Acquittal	1,400	-
Other services	-	-
	<u>6400</u>	<u>4,850</u>