



Australian Government

Australian Industrial Registry

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Melbourne, VIC 3000
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Email: kevin.donnellan@airc.gov.au

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

email: guild.act@guild.org.au

Dear Mr Cox

Re: Financial Report for The Pharmacy Guild of Australia, Australian Capital Territory Branch for year ended 30 June 2008 – FR2008/353

I acknowledge receipt of the financial reports for The Pharmacy Guild of Australia, Australian Capital Territory Branch for the year ended 30 June 2008. The report was lodged with the Registry on 2 October 2008.

The financial report has now been filed.

If you wish to discuss any of the matters referred to above I can be contacted on (03) 8661 7764.

Yours sincerely

A handwritten signature in black ink, appearing to be 'K Donnellan', with a long horizontal flourish extending to the right.

Kevin Donnellan
Statutory Services Branch

15 October 2008



The PHARMACY GUILD of AUSTRALIA

ACT BRANCH

ABN 99 466 762 435

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

I Amanda Galbraith 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 4 September 2008; and
- that the full report was presented to a general meeting of members of the reporting unit on 25 September 2008 in accordance with section 266 of the RAO Schedule.

Amanda Galbraith
Vice President
2 October 2008



The PHARMACY GUILD of AUSTRALIA
ACT BRANCH

The Pharmacy Guild of Australia A C T Branch

Financial Report
For the Year Ended 30 June 2008

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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 2008 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 provided a Project Stop workshop in August 2007. Funding was provided by the National Secretariat of the Guild. Expert advice on the implementation of Project Stop was provided by the Manager, Innovation and Development, Qld Branch.

(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 \$206,166 has been provided during 2007/2008. Of this amount \$17,134 was paid as the remainder of supplementary funding approved for the 2006/2007 year. National Council has made an ongoing commitment to support the ACT Branch based on approved budgets.

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(d) Superannuation Trustees

- (i) Officers of the Branch holding the position of a trustee or director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme are as follows:
- Kenneth Cox, director of Poel Holding Pty Ltd. Poel Holding acts as trustee of the Poel Superannuation Fund.
 - Patrick White, director of Northcliff Pty Ltd. Northcliff Pty Ltd acts as trustee of the Northcliff Superannuation Fund.

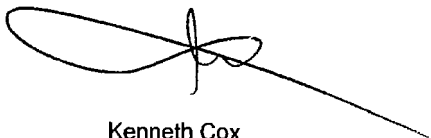
(e) Members advice:

- (i) Under Section 174 of the Registration and Accountability of Organisations schedule (RAO), a member has the right to resign from membership in accordance with Rule 36 of the organisation's Constitution and Rules.
- (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 2008, to which this report relates, the number of members of the organisation was 57, including Honorary Life Members. Nominals and Associates totalled 5.
- (ii) As at 30 June 2008 the total number of employees employed by the reporting entity was 2. In October 2007 the ACT Branch Director Ann Dalton resigned. Catherine Bergin continued in the position of ACT Branch Director, (Acting). This arrangement is to continue until the position is filled.
- (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	
Patrick White	
Honor Combley	
Julian Nguyen	



Kenneth Cox
ACT Branch Vice President - Finance
2 September 2008

**The PHARMACY GUILD of AUSTRALIA
ACT BRANCH**

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 2 September 2008 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 2008:

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 2008;
- (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.



Kenneth Cox
ACT Branch Vice President - Finance
Canberra, 2 September 2008

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 (the branch) which comprises the balance sheet as at 30 June 2008, 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 are responsible for the preparation and fair presentation of the financial report in accordance with the 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 as issued by the International Accounting Standards Board.

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.

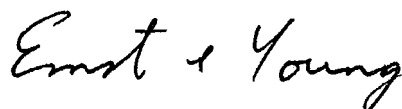
Independence

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 of 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 2008, 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 issued by the International Accounting Standards Board.



Ernst & Young



G. J. Knuckey
Partner
Fellow of Institute of Chartered Accountants in Australia
Registered Company Auditor

Canberra
2 September 2008

The PHARMACY GUILD of AUSTRALIA
ACT BRANCH

**Income Statement
For the Year Ended 30 June 2008**

	<i>Note</i>	2008 \$	2007 \$
REVENUES	3	500,463	444,257
Remuneration and employee benefits expense	4(a),4(b)	(150,078)	(206,621)
Depreciation expense		(3,791)	(5,693)
Other expenses	4(c)	(325,361)	(249,078)
SURPLUS/(DEFICIT) BEFORE INCOME TAX EXPENSE		<u>21,233</u>	<u>(17,135)</u>
INCOME TAX EXPENSE	1(d)	<u>-</u>	<u>-</u>
SURPLUS (DEFICIT) AFTER INCOME TAX		<u>21,233</u>	<u>(17,135)</u>
SURPLUS (DEFICIT) ATTRIBUTABLE TO THE MEMBERS OF PHARMACY GUILD OF AUSTRALIA ACT BRANCH		<u>21,233</u>	<u>(17,135)</u>

The PHARMACY GUILD of AUSTRALIA
ACT BRANCH

Balance Sheet
As at 30 June 2008

	<i>Note</i>	<i>2008</i>	<i>2007</i>
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	5	143,582	157,165
Trade and other receivables	6	19,793	35,037
Prepayments		8,668	6,358
Inventories		<u>1,383</u>	<u>1,569</u>
TOTAL CURRENT ASSETS		<u>173,426</u>	<u>200,129</u>
NON-CURRENT ASSETS			
Property, plant and equipment	7	<u>11,316</u>	<u>15,240</u>
TOTAL NON-CURRENT ASSETS		<u>11,316</u>	<u>15,240</u>
TOTAL ASSETS		<u>184,742</u>	<u>215,369</u>
CURRENT LIABILITIES			
Trade and other payables	8	28,166	28,316
Provision for employee benefits	9	4,058	45,629
Revenue received in advance		<u>21,587</u>	<u>24,768</u>
TOTAL CURRENT LIABILITIES		<u>53,811</u>	<u>98,713</u>
NON-CURRENT LIABILITIES			
Provision for employee benefits	9	<u>-</u>	<u>6,958</u>
TOTAL NON-CURRENT LIABILITIES		<u>-</u>	<u>6,958</u>
TOTAL LIABILITIES		<u>53,811</u>	<u>105,671</u>
NET ASSETS		<u>130,931</u>	<u>109,698</u>
EQUITY			
Equity attributable to the members of Pharmacy Guild of Australia ACT Branch			
Accumulated surpluses		<u>130,931</u>	<u>109,698</u>
TOTAL EQUITY		<u>130,931</u>	<u>109,698</u>

The PHARMACY GUILD of AUSTRALIA
ACT BRANCH

**Statement of Cash Flows
For the Year Ended 30 June 2008**

	<i>Note</i>	<i>2008</i>	<i>2007</i>
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		503,893	429,681
Payments to suppliers and employees		(505,460)	(456,620)
Interest received		12,148	11,994
GST paid		<u>(19,115)</u>	<u>(16,494)</u>
NET CASH FLOWS (USED IN) OPERATING ACTIVITIES	5(b)	<u>(8,534)</u>	<u>(31,439)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		<u>(5,049)</u>	<u>(4,452)</u>
NET CASH FLOWS (USED IN) INVESTING ACTIVITIES		<u>(5,049)</u>	<u>(4,452)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(13,583)	(35,891)
Cash and cash equivalents at beginning of the year		<u>157,165</u>	<u>193,056</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	5(a)	<u><u>143,582</u></u>	<u><u>157,165</u></u>

The PHARMACY GUILD of AUSTRALIA
ACT BRANCH

Statement of Change in Equity
For the Year Ended 30 June 2008

	Accumulated Funds \$	Total Equity \$
At 30 June 2006	126,833	126,833
Deficit for the year	<u>(17,135)</u>	<u>(17,135)</u>
At 30 June 2007	109,698	109,698
Surplus for the year	<u>21,233</u>	<u>21,233</u>
At 30 June 2008	<u>130,931</u>	<u>130,931</u>

The PHARMACY GUILD of AUSTRALIA
ACT BRANCH

**Notes to the Financial Statements
For the Year Ended 30 June 2008**

Note 1: Summary of Significant Accounting Policies

(a) Basis of Preparation

The financial report is a general purpose financial report which has been prepared in accordance with the requirements of the *Workplace Relations Act 1996*, Australian Accounting Standards and other Authoritative pronouncements of the Australian Accounting Standards Board. The Pharmacy Guild of Australia (ACT Branch) is an unincorporated organisation.

The financial report has been prepared on a historical cost basis and is presented in Australian dollars.

Compliance with IFRS

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

New Accounting Standards and Interpretations

Certain Australian Accounting Standards and urgent issues Group Interpretations have been recently issued or amended but are not yet effective. These Standards have not been adopted by the branch for the year ended 30 June 2008. The members are in the process of finalising their assessment of the impact of these Standards and interpretations to the extent relevant to the branch.

Adoption of new accounting standard

The Branch has adopted AASB7 Financial Instruments and all consequential amendments which become applicable on 1 January 2007. The adoption of this standard has only affected the disclosure in these financial statements. There has been no effect on profit and loss or the financial position of the branch.

(b) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

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.

The PHARMACY GUILD of AUSTRALIA
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**Notes to the Financial Statements
For the Year Ended 30 June 2008**

Note 1: Summary of Significant Accounting Policies (continued)

(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 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. Debts that are known to be uncollectable are written off when identified. 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.

The PHARMACY GUILD of AUSTRALIA
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**Notes to the Financial Statements
For the Year Ended 30 June 2008**

Note 1: Summary of Significant Accounting Policies (continued)

(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. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Where material, 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 historical cost less accumulated depreciation and any accumulated impairment losses.

Depreciation

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

Major depreciation periods are:	2007	2006
Plant and equipment:		
- office equipment	3 -5 years	3-5 years
- furniture & fitting	10 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 PHARMACY GUILD of AUSTRALIA
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**Notes to the Financial Statements
For the Year Ended 30 June 2008**

Note 1: Summary of Significant Accounting Policies (continued)

(g) Property, plant and equipment (continued)

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. Value in use for The Pharmacy Guild of Australia ACT Branch is taken to be its depreciated replacement cost (where they would replace the asset if deprived of it) as future economic benefit is not primarily dependent on the assets ability to generate future cashflows.

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 cost. They 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.

(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.

Subsidies – National Secretariat

Revenue from subsidies are recognised following approval of the amount by the National Secretariat.

Professional Services

Revenue from Professional Services is received in accordance with Memorandum of Understandings between the ACT Branch and the National Secretariat.

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 to which the commission relates has occurred.

The PHARMACY GUILD of AUSTRALIA
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**Notes to the Financial Statements
For the Year Ended 30 June 2008**

Note 1: Summary of Significant Accounting Policies (continued)

(i) Revenue recognition (continued)

Interest

Revenue is recognised 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 1 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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**Notes to the Financial Statements
For the Year Ended 30 June 2008**

Note 3: Revenues

	<i>2008</i>	<i>2007</i>
	\$	\$
Revenues		
Subsidy – National Secretariat	206,166	103,471
Subscriptions from members	101,694	101,917
Commissions	77,532	67,886
Consultancy fees	1,644	46,146
Professional services	46,598	44,155
Events (Annual Dinner & Golf day)	31,468	29,295
Campaign funding (NCC & PPC)	-	-
Merchandising	16,801	17,484
Interest income	12,148	11,994
Project income	3,869	8,826
Training pharmacists	-	9,665
Other	2,543	3,418
	<hr/>	<hr/>
Total revenues	<u>500,463</u>	<u>444,257</u>

The PHARMACY GUILD of AUSTRALIA
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**Notes to the Financial Statements
For the Year Ended 30 June 2008**

Note 4: Expenses	2008	2007
	\$	\$
(a) Employment benefits paid to branch committee member		
Wages and salaries	28,386	-
Superannuation	2,477	-
	<u>30,863</u>	<u>-</u>
(b) Employment benefits paid to non branch committee members		
Wages and salaries	96,667	152,675
Annual leave and sick leave	8,168	19,195
Long service leave	189	9,931
Superannuation	11,482	23,419
Other employee expenses	2,709	1,401
	<u>119,215</u>	<u>206,621</u>
Total remuneration and employee expenses	<u>150,078</u>	<u>206,621</u>
(c) Other expenses		
Events (Annual Dinner & Golf day)	20,271	17,833
Membership subscriptions (paid to National Secretariat)	58,648	65,156
Membership fees-organisations	4,885	7,708
General administration	25,199	19,185
Conference and meeting expenses	15,252	5,840
Conference and meeting attendance fees/allowances *	7,135	24,127
Consultancy	114,347	22,983
Donations	7,100	110
Insurance	8,620	11,729
Merchandising	4,812	5,479
Payroll tax	9,930	13,483
Printing and stationery	2,958	4,248
Remuneration to auditors	6,000	6,400
Rental expense	28,631	31,602
Telephone and communication	9,650	5,749
Training pharmacists	-	7,446
Legal fees	1,923	-
	<u>325,361</u>	<u>249,078</u>
Total other expenses	<u>325,361</u>	<u>249,078</u>

* refer to Note 13 for amounts reimbursed to branch committee members

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**Notes to the Financial Statements
For the Year Ended 30 June 2008**

Note 5: Cash and cash equivalents

	<i>2008</i>	<i>2007</i>
	\$	\$
(a) Reconciliation of cash		
Cash on hand	95	100
Cash at bank	<u>143,487</u>	<u>157,065</u>
	<u><u>143,582</u></u>	<u><u>157,165</u></u>

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

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

Operating surplus / (deficit)	21,233	(17,135)
<i>Non cash items</i>		
Depreciation	3,791	5,693
Loss on disposal of property, plant and equipment	5,182	-
Changes in assets and liabilities		
Decrease / (Increase) in trade and other receivables	15,244	(2,582)
(Increase) / Decrease in prepayments	(2,310)	1,736
Decrease / (Increase) in inventory	186	225
(Decrease) / Increase in trade and other payables	(150)	(21,904)
(Decrease) / Increase in revenue received in advance	(3,181)	(9,968)
(Decrease) / Increase in provision for employee benefits	<u>(48,529)</u>	<u>12,496</u>
Net cash flows (used in) operating activities	<u><u>(8,534)</u></u>	<u><u>(31,439)</u></u>

The PHARMACY GUILD of AUSTRALIA
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**Notes to the Financial Statements
For the Year Ended 30 June 2008**

Note 6: Trade and other receivables	2008	2007
	\$	\$
Trade receivables	18,533	23,972
Other debtors	1,260	11,019
GST credits available	-	46
	<u>19,793</u>	<u>35,037</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. There were no trade receivables past due at reporting date.

Note 7: Property, plant and equipment

Office equipment - at cost	16,156	32,874
Provision for depreciation	<u>(9,103)</u>	<u>(21,490)</u>
	<u>7,053</u>	<u>11,384</u>
Furniture & Fittings - at cost	6,329	4,375
Provision for depreciation	<u>(2,066)</u>	<u>(519)</u>
	<u>4,263</u>	<u>3,856</u>
Total carrying amount	<u>11,316</u>	<u>15,240</u>

Reconciliation of movements

Property, plant and equipment

Carrying amount at beginning	15,240	16,483
Additions	5,049	4,448
Disposals	(5,182)	-
Depreciation expense	<u>(3,791)</u>	<u>(5,693)</u>
Carrying amount at year end	<u>11,316</u>	<u>15,240</u>

Note 8: Trade and other payables

Trade payables	6,744	7,200
Accrued expenses	6,368	7,166
Salaries payable	4,253	3,045
GST payable	4,344	-
PAYG payable	2,236	2,074
Payroll tax payable	940	254
ACT Chemists' Golf Funds	3,281	6,564
Other	-	2,013
	<u>28,166</u>	<u>28,316</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 2008**

Note 9: Provisions for employee benefits	2008	2007
	\$	\$
Provisions		
<i>Current</i>		
Employee benefits		
- Annual leave	4,058	20,956
- Long-service leave	-	24,673
	4,058	45,629
<i>Non-current</i>		
Employee benefits		
- Long-service leave	-	6,958
	-	6,958
	4,058	52,587

Note 10 Events after the balance sheet date

There have been no significant events that have occurred subsequent to 30 June 2008.

Note 11 Financial risk management objectives and policies

The entity's principal financial instruments comprise of mainly cash at bank.

The main purpose of the financial instrument is to fund the entity's operations. The entity has various other financial assets and liabilities such as trade debtors and creditors which arise directly from its operations.

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

Details of the significant accounting policies and methods adopted, including criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset are disclosed in Note 1 to the financial statements.

Financial Instruments

The Guild manages its exposure to key financial risks, which primarily relate to interest rate risk in accordance with the Guild's policies. The objective of the policy is to support the delivery of the Guild's services to its members whilst protecting financial security.

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**Notes to the Financial Statements
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Note 11 Financial risk management objectives and policies (continued)

The Guild uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of interest rates, ageing analyses to manage credit risk, liquidity risk is monitored through the development of cash flow forecasts.

Primary responsibility for identification and control of financial risks rests with the Committee members.

(a) Credit risk

Credit risk arises from the financial assets of the ACT Branch comprising cash and cash equivalents and trade and other receivables. The ACT Branch's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. The carrying amounts of the ACT Branch's financial assets are the same as their fair value. Exposure at balance date is presented in the following table:

Financial assets	As at 30 June	
	2008 \$	2007 \$
Cash and cash equivalents	143,582	157,165
Trade and other receivables	19,793	35,037

The ACT Branch does not hold any credit derivatives to offset its credit exposure.

The ACT Branch deals with recognised, creditworthy third parties, and as such collateral is not requested nor is it Branch policy to securitise its receivables.

In addition, trade and other receivable balances are monitored on an ongoing basis with the result that the Branch's exposure to bad debts is not significant. All customers are located in Australia. Credit risk in trade and other receivables is managed by having payment terms of 30 days.

Concentration of Risk

The ACT Branch minimises concentrations of credit risk in relation to trade and other receivables by undertaking transactions mainly with its members. However, all of the Branch's cash is held with one financial institution. Management considers the chance the National Australia Bank defaulting on any obligation to the Branch to be minimal.

(b) Liquidity risk

Payables

The ACT Branch's financial liabilities are trade creditors. The exposure to liquidity risk is based on the notion that the Branch will encounter difficulty in meeting its obligations associated with the financial liabilities.

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**Notes to the Financial Statements
For the Year Ended 30 June 2008**

Note 11 Financial risk management objectives and policies (continued)

The following table illustrates the exposure and maturities for financial liabilities:

	No later than one month 2008 \$'000	31 to 60 days 2008 \$'000	61 to 90 days 2008 \$'000	>90 days 2008 \$'000	Total 2008 \$'000
Financial Liabilities					
Trade and other payables	28,166	-	-	-	28,166
Total	28,166	-	-	-	28,166

	No later than one month 2007 \$'000	31 to 60 days 2007 \$'000	61 to 90 days 2007 \$'000	>90 days 2007 \$'000	Total 2007 \$'000
Financial Liabilities					
Trade and other payables	28,316	-	-	-	28,316
Total	28,316	-	-	-	28,316

(c) Interest rate risk

The ACT Branch's exposure to market risk pertains to interest rate risk. Interest rate risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Branch's interest rate risk relates primarily to its cash deposits with financial institutions which are subject to variable interest rates.

At balance date, if interest rates had moved, as illustrated in the table below, with all other variables held constant, net surplus from operations and equity would have been effected as follows:

Judgements of reasonably possible movements:	Net Surplus Higher/(Lower)		Equity Higher/(Lower)	
	2008	2007	2008	2007
	\$	\$	\$	\$
+0.5% (50 basis points)	673	785	673	785
-0.5% (50 basis points)	(673)	(785)	(673)	(785)

(d) Capital Management

When managing capital, the committee's objective is to ensure the entity continues as a going concern. The capital needs of the Branch are determined annually by the committee through the budgeting process.

Note 12: 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.

The PHARMACY GUILD of AUSTRALIA
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**Notes to the Financial Statements
For the Year Ended 30 June 2008**

Note 13: Related Party Disclosures and Branch Committee Members

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

The Branch Committee members were reimbursed for attendances as a representative of the ACT Branch at conferences and meetings amounting to \$4,525 (2007: \$22,867) during the year.

Transactions with Other Related Parties

Commission revenue of \$77,532 (2007: \$67,886) was received or receivable at 30 June 2008 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 \$3,869 for programs including Project Stop and Work Choice Employer Advisor Programme;
- Branch support amounting to \$206,166 for Branch subsidy; and
- Reimbursements amounting to \$49,186 for items including charges against the Quality Care Pharmacy Program.

Trade and other debtors as at 30 June 2008 include the following:

- Funding and reimbursements receivable from the National Secretariat amounting to \$4,177.

The ACT Branch paid \$58,648 (2007: \$64,533) for national dues to the National Secretariat of The Pharmacy Guild of Australia.

Trade creditors as at 30 June 2008, include the following:

- General office expenses and membership fees due to the National Secretariat amounting to \$981.

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Notes to the Financial Statements
For the Year Ended 30 June 2008

Note 14: Auditors' Remuneration

	<i>2008</i>	<i>2007</i>
	\$	\$
Auditors' remuneration		
Audit – financial statement	6,000	5,000
Audit – Grant Acquittal	-	1,400
	<u>6,000</u>	<u>6,400</u>