



FAIR WORK
AUSTRALIA

6 November 2009

Ms Amanda Galbraith
President
The Pharmacy Guild of Australia - Australian Capital Territory Branch
PO Box 7036
Canberra Mail Centre ACT 2610

By email to Ms Nerine Gallagher: nerine.gallagher@guild.org.au

Dear Ms Galbraith

Financial report for The Pharmacy Guild of Australia - Australian Capital Territory Branch for the year ended 30 June 2009 - FR2009/281

I acknowledge receipt of the financial report of The Pharmacy Guild of Australia - Australian Capital Territory Branch for the year ended 30 June 2009. The documents were received by Fair Work Australia on 29 September 2009.

The financial report has been filed.

I note that when preparing future financial reporting documents, reference will need to be made to the relevant provisions of the *Fair Work (Registered Organisations) Act 2009* and accompanying Regulations.

Please contact me by email to mark.elliott@airc.gov.au or by telephone on (03) 8661 7811 should you wish to discuss this correspondence.

Kind regards,

Mark Elliott

Tribunal Services and Organisations
Fair Work Australia



The Pharmacy
Guild of Australia

Designated Officer's Certificate
S268 of Fair Work (Registered Organisations) Act 2009

I Amanda Galbraith being the 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 Fair Work (Registered Organisations) Act 2009; and
- that the full report was made available to members on 31 August 2009; and
- that the full report was presented to a general meeting of members of the reporting unit on 23 September 2009 in accordance with section 266 of the Fair Work (Registered Organisations) Act 2009.

Amanda Galbraith
President
28 September 2009

ACT Branch

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The Pharmacy
Guild of Australia

The Pharmacy Guild of Australia ACT Branch

Financial Report For the Year Ended 30 June 2009

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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 2009 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 principal place of the Guild is Level 1, 15 National Circuit, Barton ACT 2600.
- (iii) 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.
- (iv) 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.
- (v) The implementation of this policy is overseen by the National Executive through the National Secretariat.
- (vi) 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.
- (vii) The ACT Branch continues its campaign to protect community pharmacy from any adverse regulatory changes to ACT legislation.
- (viii) 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 financial affairs of the ACT Branch:

- (i) In accordance with National Council's decision to provide support to the ACT Branch, subsidy funding totalling \$194,000 has been provided during 2008/2009. National Council has made an ongoing commitment to support the ACT Branch based on approved budgets.

(c) 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:

(c) Superannuation Trustees (continued)

- 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.
- Vincent Tran, director of Dreams Unbound Pty Ltd. Dreams Unbound Pty Ltd acts as trustee of the Dreams Unbound Superannuation Fund.

(d) 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.

(e) Prescribed and other Information:

- (i) As at 30 June 2009, to which this report relates, the number of members of the organisation was 58 (including 1 member who is also an Honorary Life Member). Other Honorary Life Members, Nominals and Associates totalled 11.
- (ii) As at 30 June 2009 the total number of employees employed by the reporting entity was 4. In November 2008, Peter Brady was appointed as the ACT Branch Director. Catherine Bergin who was acting in this position, resumed her Health Economics Divisional Management role in the National Secretariat.

- (iii) During the reporting period the following persons were members of the ACT Branch Committee of Management for the whole period unless stated otherwise:

Amanda Galbraith	Branch President (elected 7 November 2008)
Kenneth Cox	Branch Vice President
Patrick Reid	(resigned as Branch President 15 October 2008)
Patrick White	
Honor Combley	
Julian Nguyen	(resigned effective 25 September 2008)
Matthew Develin	(resigned effective 25 September 2008)
Vincent Tran	(elected 25 September 2008)
Li-Meng Wong	(elected 25 September 2008)



(f) Insurance of Officers:

- (i) During the financial year, The Pharmacy Guild of Australia ACT Branch paid insurance to cover all officers of The Pharmacy Guild of Australia ACT Branch. The officers of The Pharmacy Guild of Australia ACT Branch covered by the insurance policy include all the committee of management. Other officers covered by the contract are the management of The Pharmacy Guild of Australia ACT Branch. The liabilities insured include costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of The Pharmacy Guild of Australia ACT Branch.

Kenneth Cox
ACT Branch Vice President - Finance
25 August 2009



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 25 August 2009 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 2009:

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 2009;
- (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, 25 August 2009

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 Guild), which comprises the balance sheet as at 30 June 2009, 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 Statement.

Committee of Management's Responsibility for the Financial Report

The Committee of Management of the Guild are 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.

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 Members, as well as evaluating the overall presentation of the financial report.

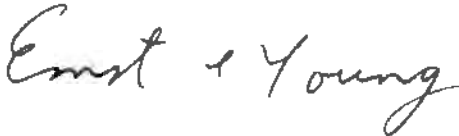
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 the financial report presents fairly, in all material respects, the financial position of The Pharmacy Guild of Australia - ACT Branch as of 30 June 2009, and of its financial performance and cash flows for the year then ended in accordance with the *Workplace Relations Act 1996*, including Australian Accounting Standards (including the Australian Accounting Interpretations).



Ernst & Young



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

Canberra
25 August 2009



**Income Statement
For the Year Ended 30 June 2009**

	<i>Note</i>	2009	2008
		\$	\$
REVENUE	4	539,683	500,463
Remuneration and employee benefits expense	5(a),5(b)	(278,366)	(150,078)
Depreciation expense		(3,458)	(3,791)
Other expenses	5(c)	<u>(257,313)</u>	<u>(325,361)</u>
SURPLUS BEFORE INCOME TAX EXPENSE		<u>546</u>	<u>21,233</u>
INCOME TAX EXPENSE	2(d)	<u>-</u>	<u>-</u>
SURPLUS AFTER INCOME TAX		<u>546</u>	<u>21,233</u>
SURPLUS ATTRIBUTABLE TO THE MEMBERS OF THE PHARMACY GUILD OF AUSTRALIA ACT BRANCH		<u>546</u>	<u>21,233</u>



**Balance Sheet
As at 30 June 2009**

	<i>Note</i>	<i>2009</i> \$	<i>2008</i> \$
CURRENT ASSETS			
Cash and cash equivalents	6	119,290	143,582
Trade and other receivables	7	92,704	19,793
Prepayments		9,606	8,668
Inventories		1,939	1,383
TOTAL CURRENT ASSETS		<u>223,539</u>	<u>173,426</u>
NON-CURRENT ASSETS			
Property, plant and equipment	8	<u>7,896</u>	<u>11,316</u>
TOTAL NON-CURRENT ASSETS		<u>7,896</u>	<u>11,316</u>
TOTAL ASSETS		<u>231,435</u>	<u>184,742</u>
CURRENT LIABILITIES			
Trade and other payables	9	65,305	32,224
Revenue received in advance		<u>34,653</u>	<u>21,587</u>
TOTAL CURRENT LIABILITIES		<u>99,958</u>	<u>53,811</u>
NET ASSETS		<u>131,477</u>	<u>130,931</u>
EQUITY			
Equity attributable to the members of The Pharmacy Guild of Australia ACT Branch			
Accumulated surpluses		<u>131,477</u>	<u>130,931</u>
TOTAL EQUITY		<u>131,477</u>	<u>130,931</u>



**Cash Flow Statement
For the Year Ended 30 June 2009**

	<i>Note</i>	2009 \$	2008 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		403,889	453,138
Payments to suppliers and employees		(434,072)	(473,820)
Interest received		<u>6,050</u>	<u>12,148</u>
NET CASH FLOWS (USED IN) OPERATING ACTIVITIES			
	6(b)	<u>(24,133)</u>	<u>(8,534)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(1,459)	(5,049)
Proceeds from sale of property, plant and equipment		<u>1,300</u>	<u>-</u>
NET CASH FLOWS (USED IN) INVESTING ACTIVITIES		<u>(159)</u>	<u>(5,049)</u>
NET (DECREASE) IN CASH AND CASH EQUIVALENTS		(24,292)	(13,583)
Cash and cash equivalents at beginning of the year		<u>143,582</u>	<u>157,165</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	6(a)	<u><u>119,290</u></u>	<u><u>143,582</u></u>



**Statement of Changes in Equity
For the Year Ended 30 June 2009**

	Accumulated Funds \$	Total Equity \$
At 30 June 2007	109,698	109,698
Surplus for the year	<u>21,233</u>	<u>21,233</u>
At 30 June 2008	130,931	130,931
Surplus for the year	<u>546</u>	<u>546</u>
At 30 June 2009	<u>131,477</u>	<u>131,477</u>



Notes to the Financial Statements For the Year Ended 30 June 2009

Note 1: Organisational Information

The financial report of The Pharmacy Guild of Australia ACT Branch (the Guild) for the year ended 30 June 2009 was authorised for issue in accordance with a resolution passed by the Branch Committee on 25 August 2009. The Pharmacy Guild of Australia ACT Branch is an unincorporated organisation registered under the *Workplace Relations Act 1996*. The nature of the operations and the principal activities of the Guild are described in the Operating Report.

Note 2: 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 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 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 2009. These are outlined below:

Reference	Title	Summary	Application date of standard*	Impact on Group financial report	Application date for Group*
AASB 101 (Revised), AASB 2007-8 and AASB 2007-10	Presentation of Financial Statements and consequential amendments to other Australian Accounting Standards	Introduces a statement of comprehensive income. Other revisions include impacts on the presentation of items in the statement of changes in equity, new presentation requirements for restatements or reclassifications of items in the financial statements, changes in the presentation requirements for dividends and changes to the titles of the financial statements.	1 January 2009	These amendments are only expected to affect the presentation of the Guild's financial report and will not have a direct impact on the measurement and recognition of amounts disclosed in the financial report.	1 July 2009



Notes to the Financial Statements
For the Year Ended 30 June 2009

Note 2: Summary of Significant Accounting Policies (continued)

(a) Basis of Preparation (continued)

Reference	Title	Summary	Application date of standard*	Impact on Group financial report	Application date for Group*
AASB 2008-5	Amendments to Australian Accounting Standards arising from the Annual Improvements Project	<p>The improvements project is an annual project that provides a mechanism for making non-urgent, but necessary, amendments to IFRSs. The IASB has separated the amendments into two parts: Part 1 deals with changes the IASB identified resulting in accounting changes; Part II deals with either terminology or editorial amendments that the IASB believes will have minimal impact.</p> <p>This was the first omnibus of amendments issued by the IASB arising from the Annual Improvements Project and it is expected that going forward, such improvements will be issued annually to remove inconsistencies and clarify wording in the standards.</p> <p>The AASB issued these amendments in two separate amending standards; one dealing with the accounting changes effective from 1 January 2009 and the other dealing with amendments to AASB 5, which will be applicable from 1 July 2009 [refer below AASB 2008-6].</p>	1 January 2009	The Guild has not yet determined the extent of the impact of the amendments, if any.	1 July 2009
AASB 2008-6	Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project	<p>This was the second omnibus of amendments issued by the IASB arising from the Annual Improvements Project.</p> <p>Refer to AASB 2008-5 above for more details.</p>	1 July 2009	The Guild has not yet determined the extent of the impact of the amendments, if any.	1 July 2009



**Notes to the Financial Statements
For the Year Ended 30 June 2009**

Note 2: Summary of Significant Accounting Policies (continued)

(a) Basis of Preparation (continued)

Reference	Title	Summary	Application date of standard*	Impact on Group financial report	Application date for Group*
AASB 2009-5	Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139]	<p>The amendments to some Standards result in accounting changes for presentation, recognition or measurement purposes, while some amendments that relate to terminology and editorial changes are expected to have no or minimal effect on accounting.</p> <p>The main amendment of relevance to Australian entities is that made to AASB 117 by removing the specific guidance on classifying land as a lease so that only the general guidance remains. Assessing land leases based on the general criteria may result in more land leases being classified as finance leases and if so, the type of asset which is to be recorded (intangible v property, plant and equipment) needs to be determined.</p> <p>These amendments arise from the issuance of the IASB's <i>Improvements to IFRSs</i>. The AASB has issued the amendments to IFRS 2, IAS 38, IFRIC 9 as AASB 2009-4 (refer above).</p>	1 January 2010	The Guild has not yet determined the extent of the impact of the amendments, if any.	1 July 2010
AASB 2009-Y	Amendments to Australian Accounting Standards [AASB 5, 7, 107, 112, 136 & 139 and Interpretation 17]	These comprise editorial amendments and are expected to have no major impact on the requirements of the amended pronouncements.	1 July 2009	The Guild has not yet determined the extent of the impact of the amendments, if any.	1 July 2009

(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.



Notes to the Financial Statements For the Year Ended 30 June 2009

Note 2: Summary of Significant Accounting Policies (continued)

(b) Cash and cash equivalents (continued)

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.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(d) Taxes

Income Tax

The Guild is exempt from income tax in accordance with Section 50-15 of the *Income Tax Assessment Act 1997*.

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.



**Notes to the Financial Statements
For the Year Ended 30 June 2009**

Note 2: Summary of Significant Accounting Policies (continued)

(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.

Collectability of trade debtors is reviewed on an ongoing basis. Individual 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 Guild will not be able to collect the debts. Financial difficulties of the debtor, default payments or debts more than 90 days overdue are considered objective evidence of impairment. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows, discounted at the original effective interest rate.

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. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

Accrued annual leave has been included in trade and other payables (Note 9) in 2009. In 2008, accrued annual leave (\$4,058) was disclosed in provision for employee benefits. The reclassification has also impacted the reconciliation of operating surplus/deficit after tax to the net cash flows from operations (Note 6b).

(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.



Notes to the Financial Statements For the Year Ended 30 June 2009

Note 2: Summary of Significant Accounting Policies (continued)

(g) Property, plant and equipment

Cost and Valuation

Plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. All other repairs and maintenance are recognised in profit or loss as incurred.

Depreciation

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

Major depreciation periods are:	2009	2008
Plant and equipment:		
- office equipment	3 -5 years	3-5 years
- furniture & fittings	10 years	10 years

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

Derecognition and disposals

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the income statement.

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.

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.

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 Guild 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.

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



**Notes to the Financial Statements
For the Year Ended 30 June 2009**

Note 2: Summary of Significant Accounting Policies (continued)

(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 Guild prior to the end of the financial year that are unpaid and arise when the Guild becomes obliged to make future payments in respect of the purchase of these goods and services. These amounts are unsecured and are usually paid within 30 days of recognition.

(i) Revenue recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent that it is probable that the economic benefits will flow to the Guild and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods are recognised when the 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.

Interest

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



**Notes to the Financial Statements
For the Year Ended 30 June 2009**

Note 3: 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).



Notes to the Financial Statements
For the Year Ended 30 June 2009

Note 4: Revenue

	<i>2009</i>	<i>2008</i>
	\$	\$
Revenue		
Subsidy – National Secretariat	194,000	206,166
Subscriptions from members	108,803	101,694
Commissions	76,589	77,532
Consultancy fees	-	1,644
Professional services	106,910	46,598
Events (Annual Dinner & Golf day)	25,836	31,468
Merchandising	16,575	16,801
Interest income	6,050	12,148
Project income	-	3,869
Other	4,920	2,543
	<hr/>	<hr/>
Total revenue	539,683	500,463



Notes to the Financial Statements
For the Year Ended 30 June 2009

Note 5: Expenses	2009	2008
	\$	\$
(a) Employment benefits paid to branch committee member and key management personnel		
Short term employee benefits	98,472	28,386
Post employment benefits	10,132	2,477
	<u>108,604</u>	<u>30,863</u>
(b) Employment benefits paid to non branch committee members and non key management personnel		
Wages and salaries	132,304	96,667
Annual leave and sick leave	16,657	8,168
Long service leave	-	189
Superannuation	16,789	11,482
Other employee expenses	4,012	2,709
	<u>169,762</u>	<u>119,215</u>
Total remuneration and employee expenses	<u>278,366</u>	<u>150,078</u>
(c) Other expenses		
Events (Annual Dinner & Golf day)	19,963	20,271
Membership subscriptions (paid to National Secretariat)	62,981	58,648
Membership fees-organisations	3,817	4,885
General administration	15,446	25,199
Conference and meeting expenses	17,976	15,252
Conference and meeting attendance fees/allowances *	6,629	7,135
Consultancy	44,671	114,347
Donations	-	7,100
Insurance	10,312	8,620
Merchandising	7,964	4,812
Payroll tax	17,093	9,930
Printing and stationery	3,119	2,958
Remuneration to auditors	8,680	6,000
Rental expense	26,652	28,631
Telephone and communication	11,889	9,650
Legal fees	-	1,923
Loss on disposal	121	-
	<u>257,313</u>	<u>325,361</u>
Total other expenses	<u>257,313</u>	<u>325,361</u>

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



**Notes to the Financial Statements
For the Year Ended 30 June 2009**

Note 6: Cash and cash equivalents

	2009	2008
	\$	\$
(a) Reconciliation of cash		
Cash on hand	106	95
Cash at bank	<u>119,184</u>	<u>143,487</u>
	<u>119,290</u>	<u>143,582</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	546	21,233
<i>Non cash items</i>		
Depreciation	3,458	3,791
Loss on disposal of property, plant and equipment	121	5,182
Changes in assets and liabilities		
(Increase) / Decrease in trade and other receivables	(72,911)	15,244
(Increase) in prepayments	(938)	(2,310)
(Increase) / Decrease in inventory	(556)	186
Increase / (Decrease) in trade and other payables	33,081	(48,679)
Increase / (Decrease) in revenue received in advance	<u>13,066</u>	<u>(3,181)</u>
Net cash flows (used in) operating activities	<u>(24,133)</u>	<u>(8,534)</u>



**Notes to the Financial Statements
For the Year Ended 30 June 2009**

Note 7: Trade and other receivables

	2009	2008
	\$	\$
Trade receivables	83,028	18,533
Accrued Revenue	9,676	-
Other debtors	-	1,260
	<u>92,704</u>	<u>19,793</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 8: Property, plant and equipment

Office equipment - at cost	17,310	16,156
Provision for depreciation	<u>(12,084)</u>	<u>(9,103)</u>
	<u>5,226</u>	<u>7,053</u>
Furniture & Fittings - at cost	4,898	6,329
Provision for depreciation	<u>(2,228)</u>	<u>(2,066)</u>
	<u>2,670</u>	<u>4,263</u>
Total carrying amount	<u>7,896</u>	<u>11,316</u>

Reconciliation of movements

Property, plant and equipment

Carrying amount at beginning	11,316	15,240
Additions	1,459	5,049
Disposals	(1,421)	(5,182)
Depreciation expense	<u>(3,458)</u>	<u>(3,791)</u>
Carrying amount at year end	<u>7,896</u>	<u>11,316</u>



**Notes to the Financial Statements
For the Year Ended 30 June 2009**

Note 9: Trade and other payables

Trade payables	10,890	6,744
Accrued expenses	9,497	6,368
Accrued annual leave	11,854	4,058
Salaries payable	10,465	4,253
GST payable	14,198	4,344
PAYG payable	3,144	2,236
Payroll tax payable	1,136	940
ACT Chemists' Golf Funds	3,281	3,281
Other	840	-
	<u>65,305</u>	<u>32,224</u>

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

Note 10: Events after the balance sheet date

There have been no significant events that have occurred subsequent to 30 June 2009.

Note 11: Financial risk management objectives and policies

The Guild's principal financial instruments comprise of mainly cash at bank, receivables and payables.

The main risk arising from the Guild's financial instruments are interest rate risk, credit risk and liquidity risk.

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 2 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.

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, whilst 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. The Guild reviews and agrees policies for managing this risk and these are summarised below.



**Notes to the Financial Statements
For the Year Ended 30 June 2009**

Note 11: Financial risk management objectives and policies (continued)

(a) Credit risk

Credit risk arises from the financial assets of the Guild comprising cash and cash equivalents and trade and other receivables. The Guild'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 Guild'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	
	2009 \$	2008 \$
Cash and cash equivalents	119,290	143,582
Trade and other receivables	92,704	19,793

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

The Guild 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 Guild'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 Guild minimises concentrations of credit risk in relation to trade and other receivables by undertaking transactions mainly with its members. However, all of the Guild'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

The exposure to liquidity risk is based on the notion that the Guild will encounter difficulty in meeting its obligations associated with the financial liabilities. The Guild's exposure to liquidity risk relates primarily to trade creditors. The Guild has no borrowing.



Notes to the Financial Statements
For the Year Ended 30 June 2009

Note 11: Financial risk management objectives and policies (continued)

(b) Liquidity risk (continued)

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

	No later than one month 2009 \$'000	31 to 60 days 2009 \$'000	61 to 90 days 2009 \$'000	>90 days 2009 \$'000	Total 2009 \$'000
Financial Assets					
Cash and cash equivalents	119,290	-	-	-	119,290
Trade and other receivables	92,460	244	-	-	92,704
	211,750	244	-	-	211,994
Financial Liabilities					
Trade and other payables	65,305	-	-	-	65,305
Net Maturity	146,445	244	-	-	146,689

	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 Assets					
Cash and cash equivalents	143,582	-	-	-	143,582
Trade and other receivables	19,555	238	-	-	19,793
	163,137	238	-	-	163,375
Financial Liabilities					
Trade and other payables	32,224	-	-	-	32,224
Net Maturity	130,913	238	-	-	131,151

Fair Value

The methods for estimating fair value are outlined in the relevant notes to the financial statements.

(c) Interest rate risk

The Guild'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 Guild's interest rate risk relates primarily to its cash deposits with financial institutions which are subject to variable interest rates.

The Guild has no debt obligations exposed to interest rate risk.



**Notes to the Financial Statements
For the Year Ended 30 June 2009**

Note 11: Financial risk management objectives and policies (continued)

(c) Interest rate risk (continued)

At balance date, the Guild had the following mix of financial assets exposed to Australian variable interest rate risk.

	2009	2008
	\$	\$
Financial Assets		
Cash and cash equivalents	119,290	143,582

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)	
	2009	2008	2009	2008
Domestic interest rates				
	\$	\$	\$	\$
+0.5% (50 basis points)	596	673	596	673
-0.5% (50 basis points)	(596)	(673)	(596)	(673)

(d) Capital Management

When managing capital, the committee's objective is to ensure the Guild 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.



**Notes to the Financial Statements
For the Year Ended 30 June 2009**

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:

Amanda Galbraith	Branch President (elected 7 November 2008)
Kenneth Cox	Branch Vice President
Patrick Reid	(resigned as Branch President 15 October 2008)
Patrick White	
Honor Combley	
Julian Nguyen	(resigned effective 25 September 2008)
Matthew Develin	(resigned effective 25 September 2008)
Vincent Tran	(elected 25 September 2008)
Li Meng Wong	(elected 25 September 2008)

The Branch Committee members were reimbursed for attendances as a representative of the ACT Branch at conferences and meetings amounting to \$3,659 (2008: \$4,525) during the year.

Transactions with Other Related Parties

Commission revenue of \$76,589 (2008: \$77,532) was received or receivable at 30 June 2009 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:

- Branch support amounting to \$194,000 (2008: \$206,166) for Branch subsidy; and
- Subsidies amounting to \$106,910 (2008: \$46,598) for items including charges against the Quality Care Pharmacy Program, the Medication Management Review Facilitator Program and the Quality Use of Medicines Maximised for Aboriginal and Torres Strait Islander People Program.

Trade and other debtors as at 30 June 2009 include the following:

- Funding and reimbursements receivable from the National Secretariat amounting to \$68,195.

The ACT Branch paid \$62,981 (2008: \$58,648) for national dues to the National Secretariat of The Pharmacy Guild of Australia.



**Notes to the Financial Statements
For the Year Ended 30 June 2009**

Note 13: Related Party Disclosures and Branch Committee Members (continued)

Other expenses paid to the National Secretariat include the following:

- Rent of \$24,781 (2008: \$25,651); and
- General and administration expenses of \$39,568 (2008: \$47,042)

Trade creditors as at 30 June 2009, include the following:

- General office expenses due to the National Secretariat amounting to \$1,340.

Note 14: Auditors' Remuneration

	<i>2009</i>	<i>2008</i>
	\$	\$
Auditors' remuneration		
Audit fees	6,480	6,000
Grant Acquittals	2,200	-
	<u>8,680</u>	<u>6,000</u>