



Australian Government

Australian Industrial Registry

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Mr Ian Campbell
Secretary
New South Wales Branch
The Pharmacy Guild of Australia
Locked Bag 2112
ST LEONARDS NSW 1590

Dear Mr Campbell,

**The Pharmacy Guild of Australia – New South Wales Branch
Financial Reports for the Year Ended 30th June 2006 - FR2006/437
Schedule 1 of the Workplace Relations Act 1996 (RAO Schedule)**

Thank you for the financial reports of the New South Wales Branch of The Pharmacy Guild of Australia for the year ended 30th June 2006. The documents were lodged in the Industrial Registry on 29th September 2006.

The documents have been filed.

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

Operating Report – Superannuation Trustees

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

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

Operating Report – Periods for which Positions Held

Regulation 159(c) of the Workplace Relations (Registration and Accountability of Organisations) Regulations 2003 (RAO Regulations) requires the Operating Report to state the 'period for which' each Committee of Management member has held office.

The Operating Report states that 'During the reporting period...' the listed individuals held office as members of Branch Committee. This wording suggests that these individuals held office for the entire financial year but you are requested in future to state this more clearly. For instance, a simple change of wording to 'For all of the reporting period...' Alternatively, you may choose to state that all councillors held office for the entire financial year 'except where otherwise stated' and then include in brackets after their names the dates upon which officers either assumed or left office.

Auditor's Report

Section 257 of the RAO Schedule requires the Auditor's Report to confirm whether the General Purpose Financial Report is presented fairly in accordance with both Australian Accounting standards and *any additional requirements of the RAO Schedule*.

I note that the audit opinion which was provided with respect to the financial year ended 30th June 2005 refers to the *Workplace Relations Act 1996* but this year's report does not include such a reference.

Would you please draw this matter to your Auditor's attention and ensure that it refers in future to the requirements imposed by Part 3 of Chapter 8 of Schedule 1 (RAO Schedule) of the *Workplace Relations Act 1996*.

Committee of Management Statement

Paragraph (e)(iv) of the Committee of Management Statement states that 'the organisation consists of one reporting unit'. As was advised with respect to the previous year's financial reports, where an organisation is divided into branches, each branch is a separate reporting unit. Since The Pharmacy Guild of Australia consists of a number of branches, the federal body and each of its branches are all separate reporting units. It is therefore incorrect to state that the organisation consists of only one reporting unit.

This part of the Statement is seeking to confirm that there is a consistency between all of the different reporting units which make up The Pharmacy Guild of Australia with respect to the reporting of their financial affairs.

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

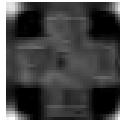
A copy of the financial report has been placed on the website maintained by the Industrial Registry at <http://www.e-airc.gov.au/175Vnsw>.

Yours sincerely,



Shane Ellard
Statutory Services Branch

6 December 2006



The PHARMACY GUILD of AUSTRALIA

NSW BRANCH

ABN 87 740 877 429

The Registrar
Australian Industrial Registry
GPO Box 1994S
MELBOURNE VIC 3001

22 September 2006

Dear Sir/Madam

Secretary's Certificate

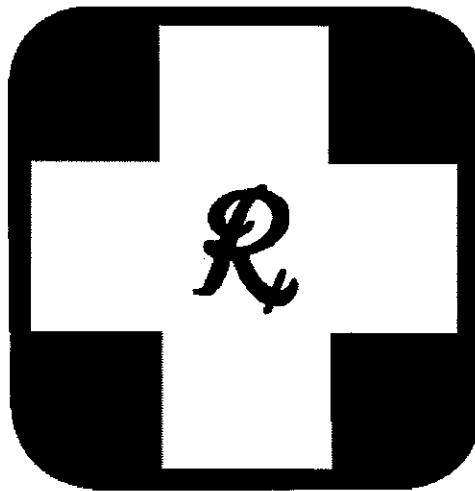
I confirm that the enclosed Full Report for 30 June 2006 was provided to members on 29 August 2006 and presented at the Annual General Meeting of members on 20 September 2006.

Yours sincerely

Ian Campbell
Branch Director and Secretary

**THE PHARMACY GUILD OF AUSTRALIA
(NSW BRANCH)**

ABN 87 740 877 429



**FULL REPORT
CONSISTING OF**

- ◆ **OPERATING REPORT**
- ◆ **GENERAL PURPOSE FINANCIAL REPORT
(FINANCIAL STATEMENTS)**
- ◆ **AUDITORS' REPORT**

30 JUNE 2006

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**THE PHARMACY GUILD OF AUSTRALIA - NSW BRANCH
OPERATING REPORT**

I, IAN CAMPBELL, being the designated officer responsible for preparing this report for the financial year ended 30 June 2006 of The Pharmacy Guild of Australia NSW Branch, report as follows:

(a) **Principal Activities:**

- (i) The Pharmacy Guild of Australia NSW Branch is an employers' organisation servicing the needs of proprietors of independent community pharmacies and representing their interests in industrial matters.
- (ii) The Pharmacy Guild of Australia NSW Branch assists the National Council and the National Executive of The Pharmacy Guild of Australia ("the Guild") in carrying out the overall policy and objectives of the Guild.
- (iii) Included in the Annual Report are the various reports compiled by The Pharmacy Guild of Australia NSW Branch President, Director and Officers outlining the activities for the year. There were no significant changes in the nature of these activities during the year under review.

(b) **Significant financial changes:**

There have been no significant changes in The Pharmacy Guild of Australia NSW Branch's financial affairs during the period to which this report relates.

(c) **Members advice:**

- (i) Under Section 174 of the Registration and Accountability of Organisations (RAO), Schedule 1, Workplace Relations Act 1996, a member may resign from membership by written notice addressed and delivered to the Branch Director in accordance with Rule 36 of the Guild's Constitution.
- (ii) The register of members of the organisation was maintained in accordance with the RAO; and
- (iii) Section 272 of the RAO outlines members and the registrar's rights to certain prescribed information.

(d) **Prescribed and other information:**

- (i) As at 30 June 2006 to which this report relates the number of members of the organisation was 1,434 including Nominal and Honorary Life Members.
- (ii) As at 30 June 2006 the total number of employees employed by the reporting entity was 38.
- (iii) During the reporting period the following persons were members of the Branch Committee:

A Aylott	S Banks	J Bronger	L Chen
P Dibben	J Dornan	M Fois	A Gullotta
D Hanna	A Lawler	D Leahy	P McBeath
B O'Loughlin	P Sinclair	R Tuner	

(e) **Insurance of Officers:**

During the financial year, The Pharmacy Guild of Australia NSW Branch paid insurance to cover all officers of The Pharmacy Guild of Australia NSW Branch. The officers of The Pharmacy Guild of Australia NSW Branch covered by the insurance policy included all the Branch Committee and the Branch Director. Other officers covered by the contract are the management of The Pharmacy Guild of Australia NSW 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 NSW Branch.



Ian Campbell
17 August 2006

THE PHARMACY GUILD OF AUSTRALIA (NSW BRANCH)
ABN 87 740 877 429

INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2006

	Note	2006 \$	2005 \$
REVENUE			
Advertising		50,938	90,518
Commission income		701,348	692,928
Interest		275,844	285,823
Marketing department income		694,621	324,616
Member subscriptions		2,790,851	2,805,787
MMR facilitator		181,360	142,103
Pharmacy methadone incentive scheme funding		1,231,678	1,165,241
Printing sales		143,484	133,018
Promotional income		910,014	1,167,774
Quality Care Assist services		293,410	473,535
Syringe exchange program funding		963,229	1,023,732
Special syringe exchange funding		-	8,640
Training services		563,300	480,371
Other revenue from ordinary activities		541,178	319,431
Revenues from ordinary activities	2	9,341,255	9,113,517
EXPENSES			
Administrative service costs		8,803	114,662
Advertising		158,312	283,566
Audit fees		46,575	33,918
Cleaning		27,650	28,948
Consultancy fees		145,546	194,672
Contract wages paid to employee contractors		242,431	290,887
Depreciation expenses		202,459	170,512
Donations		60,111	43,313
Doubtful debts provision		117,600	4,890
Fringe benefits tax		34,856	32,424
Furniture hire		192,221	261,595
Insurance		124,454	175,757
Interest expense		-	66,515
Leave provisions		73,017	6,872
Legal fees		37,967	13,385
Loss on disposal of assets		21,965	59,211
Maintenance		183,968	153,104
Motor vehicle costs		54,288	44,653
National council dues		1,588,636	1,612,968
Payroll tax		86,083	80,196
Pharmacy methadone incentive		1,013,395	926,509
Postage		165,199	130,370
Printing expenses		91,340	79,933
Printing & stationery		422,506	384,896
Reliever expenses		285,887	266,601
Rent & outgoings		34,354	52,528
Salaries paid to employees		1,655,224	1,738,750
Superannuation		257,056	218,286
Syringe exchange		846,689	942,629
Telephone		103,750	114,318
Travel & accommodation		76,288	115,641
Other expenses from ordinary activities		800,409	268,138
		9,159,039	8,910,647
Profit from ordinary activities before income tax expense	3	182,216	202,870
Income tax expense relating to ordinary activities		-	-
Net profit from ordinary activities after income tax expense		182,216	202,870

These statements should be read in conjunction with the accompanying notes

THE PHARMACY GUILD OF AUSTRALIA (NSW BRANCH)
ABN 87 740 877 429

BALANCE SHEET
AS AT 30 JUNE 2006

	Notes	2006 \$	2005 \$
CURRENT ASSETS			
Cash and cash equivalents	5	2,364,811	1,594,159
Trade and other receivables	6	3,343,438	750,473
Inventories	7	392	392
Other current assets	8	<u>380,550</u>	<u>78,700</u>
TOTAL CURRENT ASSETS		<u>6,089,191</u>	<u>2,423,724</u>
NON-CURRENT ASSETS			
Financial assets	9	34	34
Property, plant and equipment	10	<u>6,132,816</u>	<u>5,933,131</u>
TOTAL NON-CURRENT ASSETS		<u>6,132,850</u>	<u>5,933,165</u>
TOTAL ASSETS		<u>12,222,041</u>	<u>8,356,889</u>
CURRENT LIABILITIES			
Trade and other payables	11	1,692,789	1,343,401
Short-term provisions	12	219,539	221,724
Other current liabilities	13	<u>3,248,905</u>	<u>103,637</u>
TOTAL CURRENT LIABILITIES		<u>5,161,233</u>	<u>1,668,762</u>
NON-CURRENT LIABILITIES			
Long-term provisions	12	<u>121,837</u>	<u>46,634</u>
TOTAL NON-CURRENT LIABILITIES		<u>121,837</u>	<u>46,634</u>
TOTAL LIABILITIES		<u>5,283,070</u>	<u>1,715,396</u>
NET ASSETS		<u>6,938,971</u>	<u>6,641,493</u>
EQUITY			
Reserves	14	1,495,696	1,513,434
Retained earnings	15	<u>5,443,275</u>	<u>5,128,059</u>
TOTAL EQUITY		<u>6,938,971</u>	<u>6,641,493</u>

These statements should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY
 FOR THE YEAR ENDED 30 JUNE 2006

	Note	Retained Earnings	Asset Revaluation Reserve	Asset replacement reserve	Total
Balance at 1 July 2004		4,925,189	1,080,434	433,000	6,438,623
Net income recognised directly in equity		-	-	-	-
Profit for the year ended 30 June 2005		202,870	-	-	202,870
Total recognised income & expenses for the period		5,128,059	1,080,434	433,000	6,641,493
Balance at 30 June 2005		5,128,059	1,080,434	433,000	6,641,493
Revaluation increment		-	115,262	-	115,262
Net income recognised directly in equity		-	115,262	-	115,262
Transfers to and from reserves:					
- asset replacement		133,000	-	(133,000)	-
Profit for the year ended 30 June 2006		182,216	-	-	182,216
Total recognised income & expenses for the period		315,216	115,262	(133,000)	297,478
Balance at 30 June 2006		5,443,275	1,195,696	300,000	6,938,971

These statements should be read in conjunction with the accompanying notes.

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2006

	Note	2006 \$	2005 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		10,552,649	10,817,905
Payments to suppliers and employees		(9,756,746)	(10,624,995)
Interest received		275,035	285,823
Finance costs		<u>-</u>	<u>(66,515)</u>
Net cash provided by operating activities	23(b)	<u>1,070,938</u>	<u>412,218</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		910	1,818
Payment for property, plant and equipment		<u>(301,196)</u>	<u>(296,263)</u>
Net cash used in investing activities		<u>(300,286)</u>	<u>(294,445)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		<u>-</u>	<u>(890,657)</u>
Net cash used in financing activities		<u>-</u>	<u>(890,657)</u>
Net increase/(decrease) in cash held		770,652	(772,884)
Cash at the beginning of year		<u>1,594,159</u>	<u>2,367,043</u>
Cash at the end of year	23(a)	<u>2,364,811</u>	<u>1,594,159</u>

These statements should be read in conjunction with the accompanying notes.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and the disclosure requirements of the Workplace Relations Act 1996.

The following is a summary of the material accounting policies adopted by the organisation in the preparation of the financial report. The accounting policies have been consistently applied unless otherwise stated.

Basis of Preparation

First-time Adoption of Australian Equivalents to International Financial Reporting Standards

The Pharmacy Guild of Australia (NSW Branch) ("Guild") has prepared financial statements in accordance with the Australian equivalents to International Financial Reporting Standards (IFRS) from 1 July 2005. These accounts are the first financial statements of the Guild to be prepared in accordance with Australian equivalents to IFRS.

The transition from previous Australian GAAP to IFRS has not resulted in any adjustments to the accounts. The accounting policies set out below have been consistently applied to all years presented.

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Accounting Policies

(a) Income Tax

Under Section 50-15 of the Income Tax Assessment Act 1997, the income of Pharmacy Guild of Australia (NSW Branch) ("Guild") is exempt from income tax.

(b) Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned to individual items on a first-in first-out basis.

(c) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

The carrying amount of property, plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount of an asset is determined as the higher of fair value less costs to sell, and value in use, with value in use being determined as the written-down current cost (depreciated replacement cost) of the asset.

Property

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

(c) **Property, Plant and Equipment (cont)**

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in shareholders' equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying value of plant and equipment is reviewed annually to ensure that it is not in excess of the recoverable amount from these assets.

(d) **Depreciation**

The depreciable amount of all fixed assets, excluding freehold land, is depreciated on a straight-line basis over their useful lives to the Guild commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Buildings	2.50%
Plant and equipment	10-33%
Motor vehicles	15%

(e) **Employee Benefits**

Provision is made for the Guild's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus any related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by the Guild to an employee superannuation fund and are charged as expenses when incurred.

Amounts accrued for long service leave benefits are calculated in accordance with awards and negotiated agreements.

(f) **Cash and cash equivalents**

For the purposes of the statement of cash flows, cash includes deposits at call which are readily convertible to cash on hand and which are used in the cash management function on a day to day basis, net of outstanding bank overdrafts.

(g) **Revenue**

Revenue from the sale of goods is recognised upon the delivery of the goods to the customer.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

(h) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

(i) Financial Assets

Recognition

Financial assets are initially measured at cost on trade debt, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Held-to-maturity investments

These investments have fixed maturities, and it is the entity's intention to hold these investments to maturity. Any held-to-maturity investments held by the entity are stated at amortised cost using the effective interest rate method.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

(j) Impairment of Assets

At each reporting date, the group reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where the future economic benefits of an asset are not primarily dependent on the asset's ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use shall be determined as the depreciated replacement cost of the asset.

(k) Government Grants

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants are recognised as revenue subject to conditions being met.

(l) Comparative Figures

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

(m) Impact of Adoption of Australian Equivalents to International Financial Reporting Standards

The Committee of Management has reviewed the Associations' accounting policies and is of the opinion that there are no material differences notes on conversion to AIFRS. The Committee of Management has noted one difference upon conversion to AIFRS. In the comparative period \$1,818 of proceeds from the sale of property, plant and equipment had been recognised as non-operating revenues. AASB118- Revenues does not allow for the recognition of proceeds from the disposal of property, plant and equipment to be recognised as revenue. To comply with AASB118, this amount has been set off against the loss, which had been previously expensed. This has no profit impact upon the comparative period.

The following Australian Accounting Standards which have been issued or amended and which are applicable to the Guild but are not yet effective and have not been adopted in preparation of the financial statements at reporting date. Application of these standards will not affect any of the amounts recognised or disclosed in the financial statements

AASB Standard affected	Application Date of the Standard	Application Date for the Guild
AASB 2005-9 Amendments to Australian Accounting Standards [AASB4, AASB 1023, AASB 139 & AASB 132]	1 January 2006	1 July 2006
AASB 7 Financial Instruments: Disclosures	1 January 2007	1 July 2007
AASB 2005-10 Amendments to Australian Accounting Standards [AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023 & AASB 1038]	1 January 2007	1 July 2007
AASB 2005-6 Amendments to Australian Accounting Standards [AASB 121]	1 January 2007	1 July 2007

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

	2006	2005
	\$	\$
2. REVENUE		
Operating activities:		
Subscriptions	2,790,851	2,805,787
Advertising and marketing	745,559	415,134
Training	563,300	480,371
Quality Care Assist	293,410	473,535
Syringe exchange program	963,229	1,023,732
Syringe exchange special project	-	8,640
Pharmacy Methadone incentive scheme funding	1,231,678	1,165,241
Printing sales	143,484	133,018
Promotional income	910,014	1,167,774
MMR facilitator	181,360	142,103
WorkCover Assist project	40,556	-
Industrial Relations Extended Services	-	5,206
Sales & Valuation commissions	103,612	70,106
Other sundry income	200,851	156,573
Commissions	701,348	622,822
Non Operating activities:		
Interest – other persons	275,843	285,823
Rent received	196,160	157,652
	<u>9,341,255</u>	<u>9,113,517</u>
3. PROFIT FROM ORDINARY ACTIVITIES		
The profit from ordinary activities before income tax has been determined after:		
(a) Charging as Expense:		
Finance costs:	<u>-</u>	<u>66,515</u>
Depreciation of non-current assets:		
Property, plant and equipment	137,112	105,213
Buildings and leasehold improvements	40,445	40,360
Motor Vehicles	24,902	24,939
Total depreciation of non-current assets	<u>202,459</u>	<u>170,512</u>
Net loss on disposal of non-current assets	<u>13,406</u>	<u>59,211</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

4. REMUNERATION AND RETIREMENT BENEFITS

	Salary & Bonus	Superannuation	Non-Cash Benefits	Other	Long-term Benefits Superannuation	Total
	\$	\$	\$	\$	\$	\$
2006						
Total						
Compensation	<u>874,703</u>	<u>180,345</u>	<u>47,909</u>	<u>-</u>	<u>-</u>	<u>1,102,957</u>
2005						
Total						
Compensation	<u>831,101</u>	<u>127,906</u>	<u>47,909</u>	<u>-</u>	<u>-</u>	<u>1,006,916</u>

The number of people included as key management personnel is 10 (2005: 10).

	Note	2006 \$	2005 \$
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5. CASH AND CASH EQUIVALENTS

Cash at bank and on hand	1,307,103	594,159
Short-term bank deposit	<u>1,057,708</u>	<u>1,000,000</u>
	<u>2,364,811</u>	<u>1,594,159</u>

The effective interest rate on short-term bank deposits was 5.75% (2005: 5.5%). These deposits have an average maturity of 90 days

6. TRADE AND OTHER RECEIVABLES

CURRENT

Trade debtors	3,242,378	595,772
Provision for doubtful debts	<u>(135,267)</u>	<u>(13,106)</u>
	3,107,111	582,666
Other debtors	<u>236,327</u>	<u>167,807</u>
	<u>3,343,438</u>	<u>750,473</u>

The increase in trade debtors was due to the timing of raising membership invoices prior to 30 June 2006. There is a related increase to deferred income (see Note 13).

7. INVENTORIES

Raw materials and stores	<u>392</u>	<u>392</u>
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8. OTHER ASSETS

Prepayments	<u>380,550</u>	<u>78,700</u>
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9. FINANCIAL ASSETS

Shares in controlled entities – at cost	20	<u>34</u>	<u>34</u>
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

	Note	2006 \$	2005 \$
10. PROPERTY, PLANT AND EQUIPMENT			
Freehold land, at fair value		3,825,000	3,600,000
Buildings, at fair value		1,640,000	1,600,000
Accumulated depreciation		-	(40,360)
		<u>1,640,000</u>	<u>1,559,640</u>
Total land and buildings		<u>5,465,000</u>	<u>5,159,640</u>
Plant and equipment, at cost		1,533,088	1,508,008
Accumulated depreciation		(1,094,977)	(989,123)
		<u>438,111</u>	<u>518,885</u>
Motor vehicles, at cost		166,259	166,259
Accumulated depreciation		(88,653)	(63,752)
		<u>77,606</u>	<u>102,507</u>
Works of Art, at fair value		152,099	152,099
		<u>152,099</u>	<u>152,099</u>
Total property, plant and equipment		<u>6,132,816</u>	<u>5,933,131</u>

Mr Ian Handley, Certified Practising Valuer No.1135, of Handley Partners Property, performed an independent valuation on the land and buildings on 30 June 2006; the revalued amount is \$5,465,000.

Works of Art are recorded at a fair market value in continued use and are revalued every three years. On 6 February 2004, Hymans Asset Management Pty Ltd revalued the Works of Art to \$152,099.

(a) Movements in carrying amounts

Movements in carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

	Opening balance \$	Additions \$	Re-valuations \$	Disposals \$	Depreciation \$	Closing balance \$
Freehold land and buildings	5,159,640	230,543	115,262		(40,445)	5,465,000
Plant and equipment	518,885	70,653		(14,314)	(137,113)	438,111
Motor vehicles	102,507				(24,901)	77,606
Works of art	152,099					152,099
Total	<u>5,933,131</u>	<u>301,196</u>	<u>115,262</u>	<u>(14,314)</u>	<u>(202,459)</u>	<u>6,132,816</u>

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2006

	2006	2005
	\$	\$
11. TRADE AND OTHER PAYABLES		
CURRENT		
Trade creditors	922,047	966,206
Accrued charges	588,423	377,195
Other creditors	<u>182,319</u>	<u>-</u>
	<u>1,692,789</u>	<u>1,343,401</u>
12. PROVISIONS		
CURRENT		
Employee benefits	<u>219,539</u>	<u>221,724</u>
NON-CURRENT		
Employee benefits	<u>121,837</u>	<u>46,634</u>
Aggregate employee benefits liability	<u>341,375</u>	<u>268,358</u>
No. of employees at end of financial year	<u>38</u>	<u>44</u>
13. OTHER		
Deferred income	2,866,086	8,775
Subscriptions in advance	382,819	68,423
Monies received in advance	<u>-</u>	<u>26,439</u>
	<u>3,248,905</u>	<u>103,637</u>
14. RESERVES		
Asset replacement reserve	14(a) 300,000	433,000
Asset revaluation reserve	14(b) <u>1,195,696</u>	<u>1,080,434</u>
Closing balance	<u>1,495,696</u>	<u>1,513,434</u>
(a) Asset replacement reserve		
Opening balance	433,000	433,000
Released to retained profits	<u>(133,000)</u>	<u>-</u>
Closing balance	<u>300,000</u>	<u>433,000</u>
The asset replacement reserve is a reserve that records an allocation for future capital expenditure.		
(b) Asset revaluation reserve		
Opening balance	1,080,433	1,080,433
Revaluation of land and buildings	115,263	-
Revaluation of other non-current assets	<u>-</u>	<u>-</u>
Closing balance	<u>1,195,696</u>	<u>1,080,433</u>

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2006

The asset revaluation reserve records revaluations of non-current assets.

2006
\$

2005
\$

15. RETAINED PROFITS

Retained profits at the beginning of the financial year	5,128,059	4,925,189
Released from asset replacement reserve	133,000	-
Net profit attributable to the Guild	<u>182,216</u>	<u>202,870</u>
Retained profits at the end of the financial year	<u>5,443,275</u>	<u>5,128,059</u>

16. AUDITORS' REMUNERATION

Amounts received, or due and receivable, by the auditors for:

Audit of financial report	36,100	30,200
Other assurance services	<u>9,350</u>	<u>2,450</u>
	<u>45,450</u>	<u>32,650</u>

17. SEGMENT INFORMATION

The Pharmacy Guild of Australia (NSW Branch) operates in one geographical segment being the provision of services to pharmacists throughout Australia.

18. FINANCIAL INSTRUMENTS

(a) Interest Rate Risk

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

	Note	Weighted Average Effective Interest Rate		Floating Interest Rate		Non-Interest bearing	
		2006 %	2005 %	2006 \$	2005 \$	2006 \$	2005 \$
FINANCIAL ASSETS							
Cash at bank	5	5.70	5.28	1,306,603	593,159	-	-
Bank term deposit	5	5.85	5.55	1,057,708	1,000,000	-	-
Trade and other Receivables	6	-	-	-	-	3,242,378	595,772
Other Debtors	6	-	-	-	-	235,539	167,807
TOTAL FINANCIAL ASSETS				<u>2,364,311</u>	<u>1,593,159</u>	<u>3,477,917</u>	<u>763,579</u>
FINANCIAL LIABILITIES							
Trade and other payables	11	-	-	-	-	254,992	966,206
Accrued charges	11	-	-	-	-	588,667	377,195
TOTAL FINANCIAL LIABILITIES				<u>-</u>	<u>-</u>	<u>843,659</u>	<u>1,343,401</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

18. FINANCIAL INSTRUMENTS (continued)

(b) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts, as disclosed in the balance sheet and notes to the financial statements. The organisation does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the organisation.

(c) Net Fair Value

Methods and assumptions used in determining net fair value:

The net fair values of financial assets and liabilities approximates their carrying values.

19. CONTROLLED ENTITIES

Name	Country of Incorporation	% Owned		Investment At Cost		Contribution to Operating Surplus	
		2006 %	2005 %	2006 \$	2005 \$	2006 \$	2005 \$
Pharmacy Guild Services (NSW) Pty Ltd	Australia	100	100	22	22	Nil	Nil
Pharmacy Guild Sales & Valuations (NSW) Pty Ltd	Australia	100	100	12	12	Nil	Nil

The controlled entities are dormant.

20. RELATED PARTY INFORMATION

The Branch is part of an Australia wide organisation.

Sales to and purchases from other Branches and the National Secretariat were made on normal commercial terms of trade during the year and amounted in aggregate to:

Sales	\$ 676,329
Purchases	\$2,037,083

Branch committee members who held office during the financial year were:

A Aylott	S Banks	J Bronger	P Dibben	J Dorman
M Fois	A Gullotta	D Hanna	D Leahy	P McBeath
B O'Loughlin	R Turner	A Lawler	P Sinclair	

21. INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

In accordance with the requirements of the Workplace Relations Act 1996, Registration and Accountability of Organisations, Schedule 1, Chapter 8, Division 7, Section 272, the attention of members is drawn to the following provisions:

Subsection 272 (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.

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2006

21. INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR (CONT)

Subsection 272 (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.

Subsection 272 (3)

An organisation must comply with an application made under subsection (1).

22. SYRINGE EXCHANGE & METHADONE INCENTIVE PROGRAMS

These programs operate throughout the state and are wholly funded by the NSW government.

	2006	2005
	\$	\$

23. CASH FLOW INFORMATION

(a) Reconciliation of Cash

Cash at the end of financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

Cash on hand	500	1,000
Cash at bank	2,364,311	1,593,159
	2,364,811	1,594,159

(b) Reconciliation of net cash flows from operating activities with operating profit after income tax

Operating surplus	182,216	202,870
Non-cash flows in operating profit		
Depreciation	202,459	170,512
Loss (gain) on sale of property, plant and equipment	13,406	(59,211)
Changes in assets and liabilities, net of the effects of purchase and disposals of controlled entities		
Decrease/(increase) in receivables	(2,592,965)	188,578
Decrease/(increase) in prepaid expenses	(301,850)	244,164
Decrease in inventories		-
(Decrease)/increase in creditors	349,387	(24,129)
(Decrease)/ increase in other current liabilities	3,145,268	(431,386)
Increase/(decrease) in provisions – employee entitlements	73,017	2,398
	1,070,938	412,218

24. EVENTS SUBSEQUENT TO BALANCE DATE

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the entity, the results of those operations, or the state of affairs of the economic entity in future financial years

COMMITTEE OF MANAGEMENT STATEMENT

On 17 August 2006 the Committee of Management of The Pharmacy Guild of Australia (NSW Branch) passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30 June 2006:

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

- (a) the financial statements and notes comply with Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the Industrial Registrar;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of The Pharmacy Guild of Australia (NSW Branch) for the financial year to 30 June 2006;
- (d) there are reasonable grounds to believe that The Pharmacy Guild of Australia (NSW 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 committee of management were held in accordance with the rules of the organisation; and
 - (ii) the financial affairs of The Pharmacy Guild of Australia (NSW Branch) have been managed in accordance with the rules of the organisation including the rules of the branch concerned; and
 - (iii) the financial records of the The Pharmacy Guild of Australia (NSW Branch) have been kept and maintained in accordance with the Registration and Accountability of Organisations (RAO) Schedule and Regulations; and
 - (iv) the organisation consists of one reporting unit; and
 - (v) the information sought in any request of a member of The Pharmacy Guild of Australia (NSW Branch) or a Registrar duly made under Section 272 of the RAO Schedule has been furnished to the member or Registrar; and
 - (vi) no orders have been made by the Commission under Section 273 of the RAO Schedule during the period.

For Committee of Management:



Silas Banks
State President
17 August 2006



John Dornan
Senior Vice-President, Finance
17 August 2006

INDEPENDENT AUDIT REPORT

TO THE MEMBERS OF THE PHARMACY GUILD OF AUSTRALIA (NSW BRANCH)

Scope

The financial report and committee's responsibility

The financial report comprises the income statement, balance sheet, statement of cash flows, statement of changes in equity, accompanying notes to the financial statements, and the management certificates for The Pharmacy Guild of Australia (NSW Branch), for the year ended 30 June 2006.

The committee is responsible for the preparation and true and fair presentation of the financial report in accordance with Australian Accounting Standards, other mandatory reporting requirements in Australia and the Workplace Relations Act 1996. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

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

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

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

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

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

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**INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF THE PHARMACY GUILD OF AUSTRALIA (NSW
BRANCH) (cont)**

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

Audit opinion

In our opinion, the financial report of The Pharmacy Guild of Australia (NSW Branch) presents fairly, in accordance with applicable Accounting Standards, other mandatory professional reporting requirements in Australia, the financial position of The Pharmacy Guild of Australia (NSW Branch) as at 30 June 2006 and the results of its operations and its cashflows for the year then ended.



GRANT THORNTON NSW
Chartered Accountants



A J ARCHER
Partner

Sydney

17 August 2006