



Australian Government
Australian Industrial Registry

Level 5, 11 Exhibition Street
Melbourne, VIC 3000
GPO Box 1994, Melbourne, VIC 3001
Telephone: (03) 8661 7764
Fax: (03) 9655 0410
Email: kevin.donnellan@air.gov.au

Mr Ian Campbell
Branch Director and Secretary
The Pharmacy Guild of Australia
New South Wales Branch

email: guild.nsw@guild.org.au

Dear Mr Campbell

**Re: Financial Report for The Pharmacy Guild of Australia, New South Wales Branch
for year ended 30 June 2007 – FR2007/423**

I acknowledge receipt of the financial report of The Pharmacy Guild of Australia, New South Wales Branch for the year ended 30 June 2007. The documents were lodged with the Registry on 26 November 2007.

The financial report has now been filed.

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

Designated Officer's Certificate

The Certificate lodged with the financial report should include a reference that:

“ *the documents lodged herewith are copies of the full report referred to in s268 of the RAO Schedule of the Workplace Relations Act 1996.* ”

Could you ensure in future that the above reference is included in the Designated Officer's Certificate.

Operating Report

Trustee of superannuation entity

Subsection 254(2)(d) of Schedule 1 requires details of any *officer or member* of the reporting unit who is a trustee, or a director of a company that is a trustee, of a superannuation entity or an exempt public sector superannuation scheme to be provided in the operating report “*where a criterion for the officer or member being the trustee or director is that the officer or member is an officer or member of a registered organisation*”.

If no officers or members of the reporting unit is a trustee of a superannuation entity, the preferred wording to satisfy the s254(2)(d) is:

“No officer or member of the reporting unit holds a position as a trustee or director of a superannuation entity or exempt public sector superannuation scheme where the criterion for holding such position is that they are an officer or member of an organisation.”

Audit Report

Auditor’s Qualification

It is not clear from the Report whether or not the Auditor is an approved Auditor. In this regard I draw your attention to the definition of approved auditor in regulation 4 of the Workplace Relations (Registration and Accountability of Organisations) Regulations 2003. In all likelihood the Auditor is such a person however, it is our preference that this is made explicit in the Report. I recommend you draw this comment to the attention of your Auditors.

Documents not lodged in Registry within 14 days of meeting

The documents were presented to a General Meeting of Members on 26 September 2006 but were not lodged in the Registry until 26 November 2007.

In future financial years the documents should be lodged in the Industrial Registry within 14 days of the meeting at which they were presented - see s268 of the RAO Schedule.

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 read 'Kevin Donnellan', with a long horizontal flourish extending to the right.

Kevin Donnellan

Statutory Services Branch
12 December 2007



The PHARMACY GUILD of AUSTRALIA

NSW BRANCH

ABN 87 740 877 429

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

23 October 2007

Dear Sir/Madam

Secretary's Certificate

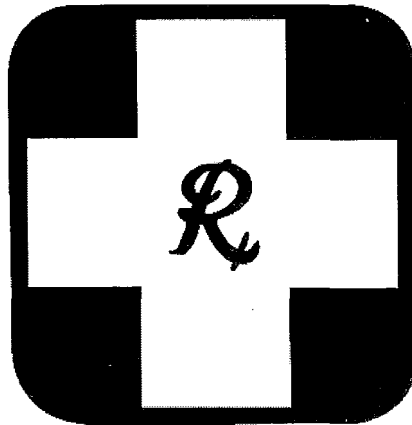
I confirm that the enclosed Full Report for 30 June 2007 was provided to members on 24 August 2007 and presented at the Annual General Meeting of members on 26 September 2007.

Yours sincerely

Ian Campbell
Branch Director and Secretary

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

ABN 87 740 877 429



**FULL REPORT
CONSISTING OF**

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

30 JUNE 2007

	Page
Operating Report	1
Income Statement	2
Balance Sheet	3
Statement of Changes in Equity	4
Cash Flow Statement	5
Notes to the Financial Statements	6
Committee of Management Statement	17
Independent Auditors' Report	18

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

OPERATING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2007

I, SILAS BANKS, being the designated officer responsible for preparing this report for the financial year ended 30 June 2007 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's 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 2007 to which this report relates the number of members of the organisation was 1,416 including Nominal and Honorary Life Members.
- (ii) As at 30 June 2007 the total number of employees employed by the reporting entity was 40.
- (iii) During the reporting period the following persons were members of the Branch Committee:

A Aylott	S Banks	J Bronger	I. Chen
P Dibben	J Dornan	A Lawler	D Leahy
P McBeath	B O'Loughlin	P Sinclair	R Turner

(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.



Silas Banks
15 August 2007

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

INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2007

	Note	2007 \$	2006 \$
REVENUE			
Advertising		50,360	50,938
Commission income		715,063	701,348
Interest		293,466	275,844
Member subscriptions		2,841,016	2,790,851
Methadone incentive scheme funding		1,235,638	1,231,678
Needle & syringe exchange funding		972,857	963,229
Pharmacy business services income		420,862	694,621
Printing sales		24,142	143,484
Promotional income		609,061	910,014
Quality Care Assist services		-	293,410
QUM facilitator funding		273,963	181,360
Rent		208,916	196,160
Temperature verification fees		127,101	119,983
Training services		612,497	563,300
Workchoices Project		40,531	-
Workcover Assist Project		90,556	40,556
Other revenue from ordinary activities		522,376	184,479
Revenues from ordinary activities	2	<u>9,038,405</u>	<u>9,341,255</u>
EXPENSES			
Administration services		101,717	46,713
Advertising		32,025	158,312
Audit fees		50,828	46,575
Bank fees		20,875	22,661
Cleaning		35,555	27,650
Consultancy fees		418,199	145,546
Contract wages paid to employee contractors		104,841	242,431
Depreciation expenses		219,275	202,459
Donations		101,885	60,111
Doubtful debts provision		(132,126)	117,600
Fringe benefits tax		30,305	34,856
Furniture hire		81,838	192,221
Insurance		115,050	124,454
Interest paid		86,759	26,524
Leave provisions		(77,288)	73,017
Legal fees		72,681	37,967
Loss on disposal of assets		18,678	21,965
Maintenance		239,163	183,968
Methadone incentive payments		1,013,480	1,013,395
National council dues		1,625,174	1,588,636
Needle & syringe exchange payments		801,444	730,418
Payroll tax		106,191	86,083
Poisons schedule costs		33,935	25,551
Postage & courier costs		133,480	165,199
Printing & stationery		376,593	513,846
Reliever expenses		106,098	285,887
Rent & outgoings		64,194	34,354
Salaries paid to employees		1,919,053	1,655,224
Superannuation		242,984	257,056
Telephone, fax & internet costs		111,921	103,750
Travel, motor vehicle & accommodation expenses		166,571	130,576
Other expenses from ordinary activities		805,968	804,034
		<u>9,027,346</u>	<u>9,159,039</u>
Profit from ordinary activities before income tax expense	3	11,059	182,216
Income tax expense relating to ordinary activities		-	-
Net profit from ordinary activities after income tax expense		<u>11,059</u>	<u>182,216</u>

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 2007

	Notes	2007 \$	2006 \$
CURRENT ASSETS			
Cash and cash equivalents	5	2,254,218	2,364,811
Trade and other receivables	6	3,157,642	3,343,438
Inventories	7	12,112	392
Other current assets	8	100,884	380,550
TOTAL CURRENT ASSETS		<u>5,524,856</u>	<u>6,089,191</u>
NON-CURRENT ASSETS			
Financial assets	9	34	34
Property, plant and equipment	10	6,330,426	6,132,816
TOTAL NON-CURRENT ASSETS		<u>6,330,460</u>	<u>6,132,850</u>
TOTAL ASSETS		<u>11,855,316</u>	<u>12,222,041</u>
CURRENT LIABILITIES			
Trade and other payables	11	1,658,134	1,692,789
Short-term provisions	12	209,571	219,539
Other current liabilities	13	2,678,843	3,248,905
TOTAL CURRENT LIABILITIES		<u>4,546,548</u>	<u>5,161,233</u>
NON-CURRENT LIABILITIES			
Long-term provisions	12	64,459	121,837
TOTAL NON-CURRENT LIABILITIES		<u>64,459</u>	<u>121,837</u>
TOTAL LIABILITIES		<u>4,611,007</u>	<u>5,283,070</u>
NET ASSETS		<u>7,244,309</u>	<u>6,938,971</u>
EQUITY			
Reserves	14	1,561,975	1,495,696
Retained earnings	15	5,682,334	5,443,275
TOTAL EQUITY		<u>7,244,309</u>	<u>6,938,971</u>

These statements should be read in conjunction with the accompanying notes

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

STATEMENT OF CHANGES IN EQUITY
 FOR THE YEAR ENDED 30 JUNE 2007

	Retained Earnings S	Asset Revaluation Reserve S	Asset Replacement Reserve S	Total S
Balance at 1 July 2005	5,261,059	1,080,434	300,000	6,641,493
Revaluation increment	-	115,262	-	115,262
Net income recognised directly in equity	-	115,262	-	115,262
Profit for the year ended 30 June 2006	182,216	-	-	182,216
Total recognised income & expenses for the period	182,216	115,262	-	297,478
Balance at 30 June 2006	5,443,275	1,195,696	300,000	6,938,971
Revaluation increment	-	294,279	-	294,279
Net income recognised directly in equity	-	294,279	-	294,279
Profit for the year ended 30 June 2007	11,059	-	-	11,059
Total recognised income & expenses for the period	11,059	294,279	-	305,338
Transfers to and from reserves:				
- asset replacement	228,000	-	(228,000)	-
Balance at 30 June 2007	5,682,334	1,489,975	72,000	7,244,309

These statements should be read in conjunction with the accompanying notes

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

CASH FLOW STATEMENT
 FOR THE YEAR ENDED 30 JUNE 2007

	Note	2007 \$	2006 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		9,656,290	10,552,649
Payments to suppliers and employees		(9,919,056)	(9,756,746)
Interest received		293,466	275,035
Net cash provided by operating activities	23(b)	30,700	1,070,938
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		58,928	910
Payment for property, plant and equipment		(200,221)	(301,196)
Net cash used in investing activities		(141,293)	(300,286)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		-	-
Net cash used in financing activities		-	-
Net (decrease)/increase in cash held		(110,593)	770,652
Cash at the beginning of year		2,364,811	1,594,159
Cash at the end of year	23(a)	2,254,218	2,364,811

These statements should be read in conjunction with the accompanying notes

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, including Australian Accounting interpretations, 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

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, 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.

Plant and equipment are measured on the cost basis less 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.

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.

(c) Depreciation

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

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 assets are:

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

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When re-valued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(d) Employee Benefits

A 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.

(e) 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.

(f) 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.

(g) Goods and Services Tax (GST)

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.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(h) Financial Assets

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

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.

(i) 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.

As not-for-profit, 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.

(j) 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.

(k) Comparative Figures

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

(l) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events based on current trends and economic data, obtained both externally and within the group.

Key estimates - Impairment

The Guild assesses impairment at each reporting date by evaluating conditions specific to the Guild that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined.

Key judgments - Provision for impairment of receivables

The directors have determined that approximately \$3,100 of receivables are not collectible at 30 June 2007 and a provision has been provided for in the financial statements.

(i) Change in Accounting Policy

Directors have considered all pending Australian Accounting Standards issued between the previous financial report and the current reporting date and believe they have no significant impact on the Guild.

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

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2007

	2007	2006
	\$	\$
2. REVENUE		
Operating activities:		
Subscriptions	2,841,016	2,790,851
Advertising and marketing	471,222	745,559
Training	612,497	563,300
Quality Care Assist	-	293,410
Needle & Syringe exchange program	972,857	963,229
Pharmacy Methadone incentive scheme funding	1,235,638	1,231,678
Printing sales	55,852	143,484
Promotional income	577,745	910,014
QUM facilitator	273,963	181,360
WorkCover Assist project	90,556	40,556
WorkChoices project funding	40,531	-
Sales & Valuation commissions	98,129	103,612
Other sundry income	649,083	200,851
Commissions	616,934	701,348
Non Operating activities:		
Interest – other persons	293,466	275,843
Rent received	208,916	196,160
	<u>9,038,405</u>	<u>9,341,255</u>
3. PROFIT FROM ORDINARY ACTIVITIES		
The profit from ordinary activities before income tax has been determined after:		
Charging as Expense:		
Depreciation of non-current assets:		
Property, plant and equipment	173,216	137,112
Buildings and leasehold improvements	37,935	40,445
Motor Vehicles	8,124	24,902
Total depreciation of non-current assets	<u>219,275</u>	<u>202,459</u>
Net loss on disposal of non-current assets	<u>18,678</u>	<u>13,406</u>

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

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2007

4. KEY MANAGEMENT PERSONNEL COMPENSATION

	Salary & Bonus \$	Superannuation \$	Non-Cash Benefits \$	Other \$	Long-term Benefits \$	Total \$
2007 Total Compensation	801,923	261,537	37,816	-	-	1,100,646
2006 Total Compensation	874,703	180,345	47,909	-	-	1,102,957

The number of people included as key management personnel is 11 (2006: 10).

Note	2007 \$	2006 \$
------	------------	------------

5. CASH AND CASH EQUIVALENTS

Cash at bank and on hand	1,254,218	1,307,103
Short-term bank deposit	1,000,000	1,057,708
The effective interest rate on short-term bank deposits was 6.03% (2006: 5.75%). These deposits have an average maturity of 90 days.	2,254,218	2,364,811

6. TRADE AND OTHER RECEIVABLES

CURRENT		
Trade debtors	2,891,465	3,242,378
Provision for doubtful debts	(3,141)	(135,267)
	2,888,324	3,107,111
Other debtors	269,318	236,327
	3,157,642	3,343,438

7. INVENTORIES

Raw materials and stores	12,112	392
--------------------------	--------	-----

8. OTHER ASSETS

Prepayments	100,884	380,550
-------------	---------	---------

9. FINANCIAL ASSETS

Shares in controlled entities -- at cost	19	34	34
------------------------------------------	----	----	----

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

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2007

	2007 \$	2006 \$
10. PROPERTY, PLANT AND EQUIPMENT		
Freehold land, at fair value	4,060,000	3,825,000
Buildings, at fair value	1,640,000	1,640,000
Accumulated depreciation	-	-
	<u>1,640,000</u>	<u>1,640,000</u>
Total land and buildings	<u>5,700,000</u>	<u>5,465,000</u>
Plant and equipment, at cost	1,574,711	1,533,088
Accumulated depreciation	(1,207,884)	(1,094,977)
	<u>366,827</u>	<u>438,111</u>
Motor vehicles, at cost	89,395	166,259
Accumulated depreciation	(8,454)	(88,653)
	<u>80,941</u>	<u>77,606</u>
Works of art, at fair value	182,658	152,099
	<u>182,658</u>	<u>152,099</u>
Total property, plant and equipment	<u>6,330,426</u>	<u>6,132,816</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 2007; the revalued amount is \$5,700,000.

Works of Art are recorded at a fair market value in continued use and are revalued every three years. On 9 March 2007, Hyman's Asset Management Pty Ltd revalued the Works of Art to \$182,658.

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	5,465,000	9,215	263,720	-	(37,935)	5,700,000
Plant and equipment	438,111	101,932	-	-	(173,216)	366,827
Motor vehicles	77,606	89,065	-	(77,606)	(8,124)	80,941
Works of art	152,099	-	30,559	-	-	182,658
Total	<u>6,132,816</u>	<u>200,212</u>	<u>294,279</u>	<u>(77,606)</u>	<u>(219,275)</u>	<u>6,330,426</u>

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

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2007

	2007	2006
	\$	\$
11. TRADE AND OTHER PAYABLES		
CURRENT		
Trade creditors	928,313	922,047
Accrued charges	488,043	588,423
Other creditors	<u>241,778</u>	<u>182,319</u>
	<u>1,658,134</u>	<u>1,692,789</u>
12. PROVISIONS		
CURRENT		
Employee benefits	<u>209,569</u>	<u>219,539</u>
NON-CURRENT		
Employee benefits	<u>64,459</u>	<u>121,837</u>
Aggregate employee benefits liability	<u>274,028</u>	<u>341,375</u>
No. of employees at end of financial year	<u>40</u>	<u>38</u>
<p>A provision has been recognised for employee benefits relating to long service leave for employees. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits have been included in Note 1(d).</p>		
13. OTHER CURRENT LIABILITIES		
Deferred income	2,531,857	2,866,086
Subscriptions in advance	123,592	382,819
Monies received in advance	<u>23,394</u>	<u>-</u>
	<u>2,678,843</u>	<u>3,248,905</u>

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

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2007

	2007 \$	2006 \$
14. RESERVES		
Asset replacement reserve	14(a) 72,000	300,000
Asset revaluation reserve	14(b) 1,489,975	1,195,696
Closing balance	<u>1,561,975</u>	<u>1,495,696</u>
(a) Asset replacement reserve		
Opening balance	300,000	433,000
Released to retained profits	<u>(228,000)</u>	<u>(133,000)</u>
Closing balance	<u>72,000</u>	<u>300,000</u>
The asset replacement reserve is a reserve that records an allocation for future capital expenditure.		
(b) Asset revaluation reserve		
Opening balance	1,195,696	1,080,433
Revaluation of land and buildings	263,720	115,263
Revaluation of works of art	<u>30,559</u>	<u>-</u>
Closing balance	<u>1,489,975</u>	<u>1,195,696</u>
The asset revaluation reserve records revaluations of non-current assets.		
15. RETAINED PROFITS		
Retained profits at the beginning of the financial year	5,443,275	5,128,059
Released from asset replacement reserve	228,000	133,000
Net profit attributable to the Guild	<u>11,059</u>	<u>182,216</u>
Retained profits at the end of the financial year	<u>5,682,334</u>	<u>5,443,275</u>
16. AUDITORS' REMUNERATION		
Amounts received, or due and receivable, by the auditors for:		
Audit of financial report	33,700	36,100
Other assurance services	<u>15,700</u>	<u>9,350</u>
	<u>49,400</u>	<u>45,450</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.		

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

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	
		2007 %	2006 %	2007 \$	2006 \$	2007 \$	2006 \$
FINANCIAL ASSETS							
Cash at bank	5	6.09	5.70	1,254,218	1,307,103	-	-
Bank term deposit	5	6.03	5.85	1,000,000	1,057,708	-	-
Trade and other Receivables	6	-	-	-	-	2,891,465	3,242,378
Other Debtors	6	-	-	-	-	269,318	236,327
TOTAL FINANCIAL ASSETS				2,254,218	2,364,811	3,160,783	3,478,705
FINANCIAL LIABILITIES							
Trade and other payables	11	-	-	-	-	1,170,091	1,174,366
Accrued charges	11	-	-	-	-	488,043	588,423
TOTAL FINANCIAL LIABILITIES				-	-	1,658,134	1,692,789

(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 approximate their carrying values.

19. CONTROLLED ENTITIES

Name	Country of Incorporation	% Owned		Investment At Cost		Contribution to Operating Surplus	
		2007 %	2006 %	2007 \$	2006 \$	2007 \$	2006 \$
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

Pharmacy Guild Services (NSW) Pty Ltd is the holding company for Pharmacy Guild Sales & Valuations (NSW) Pty Ltd.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

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	\$714,165
Purchases	\$1,960,195

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

A Aylott	S Banks	J Bronger	L Chen	P Dibben
J Dornan	D Leahy	T Lawler	P McBeath	B O'Loughlin
P Sinclair	R Turner			

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.

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.

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

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2007

	2007 \$	2006 \$
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	500
Cash at bank	<u>2,253,718</u>	<u>2,364,311</u>
Cash balance as per statement of cash flows	<u>2,254,218</u>	<u>2,364,811</u>
(b) Reconciliation of net cash flows from operating activities with operating profit after income tax		
Operating surplus	11,059	182,216
Non-cash flows in operating profit		
Depreciation	279,275	202,459
Loss (gain) on sale of property, plant and equipment	18,678	13,406
Changes in assets and liabilities, net of the effects of purchase and disposals of controlled entities		
Decrease/(increase) in receivables	187,646	(2,592,965)
Decrease/(increase) in prepaid expenses	279,669	(301,850)
(Increase) in inventories	(11,720)	-
(Decrease)/increase in creditors	(36,741)	349,387
(Decrease)/ increase in other current liabilities	(569,820)	3,145,268
Increase/(decrease) in provisions – employee entitlements	<u>(67,346)</u>	<u>73,017</u>
Cash flows from operations	<u>30,700</u>	<u>1,070,938</u>

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

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

COMMITTEE OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 30 JUNE 2007

On 15 August 2007 the Committee of Management of The Pharmacy Guild of Australia (NSW Branch) passed the following resolution in relation to the general purpose financial report (GPIFR) of the reporting unit for the financial year ended 30 June 2007:

The Committee of Management declares in relation to the GPIFR 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 2007;
- (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 GPIFR 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 organisation; 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 RAO Regulations; and
 - (iv) the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; 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
15 August 2007



John Dornan
Senior Vice-President, Finance
15 August 2007

INDEPENDENT AUDIT REPORT

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

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

Committee's responsibility for the financial report

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.

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, which require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance as to whether the financial report is free of 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 the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, 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.

Level 17, 383 Kent Street
Sydney NSW 2000
PO Locked Bag Q800
QVB Post Office
Sydney NSW 1230
T +61 2 8297 2400
F +61 2 9299 4445
E info@gt NSW.com.au
W www.grantthornton.com.au

Grant Thornton NSW
ABN 25 034 787 757

Liability limited by a scheme approved
under Professional Standards Legislation.

An independent New South Wales partnership entitled
to trade under the international name Grant Thornton.
Grant Thornton is a trademark owned
by Grant
Thornton International and used
under licence

Independence

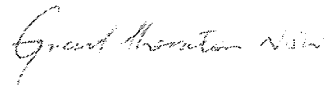
In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

Auditor's opinion

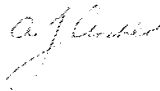
In our opinion, the financial report presents fairly, in all material respects, the financial position of The Pharmacy Guild of Australia (NSW Branch) as of 30 June 2007, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards including the Australian Accounting Interpretations.

Report on other legal and regulatory requirements

In our opinion, the financial report also complies with the Workplace Relations Act 1996.



GRANT THORNTON NSW
Chartered Accountants



AJ ARCHER
Partner

Sydney

15 August 2007