



Australian Government
Australian Industrial Registry

Level 5
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GPO Box 1994, Melbourne, VIC 3001
Telephone: (03) 8661 7993
Fax: (03) 9655 0410

Mr. I. Campbell
Branch Secretary
The Pharmacy Guild of Australia
New South Wales Branch
84 Christie Street
St Leonards NSW 2065

Dear Mr. Campbell,

**Re: Schedule 1 of the Workplace Relations Act 1996 (Schedule 1)
Financial Report for year ended 30 June 2008 - FR 2008/354**

Receipt is acknowledged of the financial report of the New South Wales Branch of The Pharmacy Guild of Australia for year ended 30 June 2008. The documents were lodged in the Industrial Registry on 14 October 2008.

The financial report has been filed.

I also acknowledge receipt of a statement in accordance with subsection 237(1) of Schedule 1 of the Workplace Relations Act 1996 in relation to the financial report.

The contents of the statement have been noted.

The statement has been placed on a file which is not available to the public.

I direct your attention to the following comments concerning the above reports and the financial reporting obligations under Schedule 1 of the Workplace Relations Act 1996. Please note that these matters are generally advised for assistance in the preparation of future financial reports; no further action is required in respect of the subject documents.

1. Auditor's Report

Auditor's Opinion

Section 257(5) of Schedule 1 requires an auditor to express an opinion in relation to the financial report. Although I have accepted the auditor's report I suggest, for future financial reports, a more acceptable form of wording would be as follows:

"In our opinion the general purpose financial report presents fairly in accordance with applicable Australian Accounting Standards and other mandatory professional reporting requirements in Australia and the requirements of Schedule 1."

2. Operating Report

(a) Membership of Committee of Management:

The operating report is required to contain the name of each person who has been a member of the committee of management of the reporting unit at any time during the reporting period, and the period for which he or she held such a position - refer regulation 159(c) of the Workplace Relations (Registration and Accountability of Organisations) Regulations 2003 (the RAO Regulations).

The operating report should have provided the positions which members of the committee of management held during the reporting period.

(b) Trustees of superannuation entities:

The report must give details (including details of the position held) of any officer or member of the reporting unit who is:

- (i) a trustee of a superannuation entity or an exempt public sector superannuation scheme; or
- (ii) a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme; and

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 the reporting unit had no officers or members falling within such a positive statement to that effect should be provided.

3. Timescales

Unless an extension is granted, financial reports should be lodged in the Industrial Registry within 14 days of the meeting at which they were presented [refer s.268].

It should be noted that the Industrial Registrar attaches importance to reporting units both fully satisfying the obligations under Schedule 1 and to those obligations being discharged within the requisite timeframes. Your reporting unit should therefore ensure that future financial returns fully satisfy the above obligations.

Electronic Lodgment

I encourage you to take advantage of the electronic lodgement service provided by the Registry for future lodgements. You may register as a user and then lodge your documents via the Electronic Lodgement page of the AIRC website at www.airc.gov.au. Alternatively, you may send an email with the documents attached to riateam3@air.gov.au

Should you wish to discuss any of the matters raised in this letter, I may be contacted on (03) 8661 7993 or by email at larry.powell@air.gov.au.

Yours sincerely,



Larry Powell
Statutory Services Branch

21 October 2008



The PHARMACY GUILD of AUSTRALIA

NSW BRANCH

ABN 87 740 877 429

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

10 October 2008

Dear Sir/Madam

Secretary's Certificate

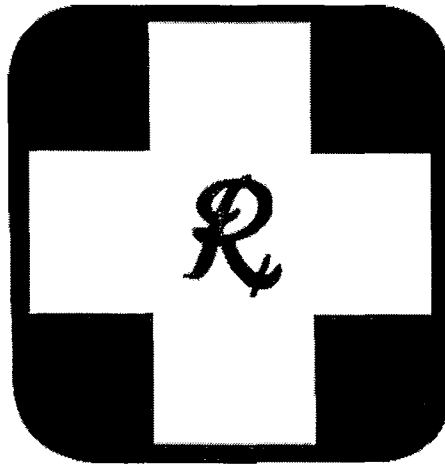
I confirm that the enclosed Full Report for 30 June 2008 was provided to members on 28 August 2008 and presented at the Annual General Meeting of members on 24 September 2008.

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 2008

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THE PHARMACY GUILD OF AUSTRALIA (NSW BRANCH)

ABN 87 740 877 429

**OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2008**

I, SILAS BANKS, being the designated officer responsible for preparing this report for the financial year ended 30 June 2008 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 2008 to which this report relates the number of members of the organisation was 1,405 including Nominal and Honorary Life Members.
- (ii) As at 30 June 2008 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	A Lawler	D Leahy
P McBeath	B O'Loughlin	P Sinclair	R Turner
G Everett			

(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
20 August 2008

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

INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2008

	Note	2008	2007
		\$	\$
REVENUE			
Advertising		57,243	50,360
Commission income		656,087	715,063
Interest		295,568	293,466
Methadone incentive scheme funding		1,207,279	1,235,638
MMR facilitator funding		309,861	273,963
Needle & syringe exchange funding		945,822	972,857
Pharmacy business services income		369,964	420,862
Printing sales		45,630	55,852
Promotional income		588,260	609,061
QCPP funding		332,728	34,964
Rent		216,437	208,916
Subscriptions - members		2,496,742	2,790,885
Subscriptions – non members		57,038	50,131
Temperature verification fees		180,798	127,101
Training services		809,507	612,497
Workchoices Project		-	40,531
Workcover Assist Project		96,800	90,556
Other revenue from ordinary activities		368,653	455,702
Revenues from ordinary activities	2	9,034,417	9,038,405
EXPENSES			
Administration services		102,236	101,717
Advertising		7,929	32,025
Audit fees		66,614	50,828
Bank fees		22,384	20,875
Cleaning		36,110	35,555
Consultancy fees		323,610	418,199
Contract wages paid to employee contractors		73,414	104,841
Depreciation expenses		257,948	219,275
Donations		51,766	101,885
Doubtful debts provision		-	(132,126)
Fringe benefits tax		41,945	30,305
Furniture hire		87,962	81,838
Insurance		108,491	115,050
Interest paid		83,983	86,759
Leave provisions		159,436	(77,288)
Legal fees		27,817	72,681
Loss on disposal of assets		-	18,678
Maintenance		190,135	239,163
Methadone incentive payments		993,302	1,013,480
National council dues		1,327,106	1,625,174
Needle & syringe exchange contractor fees		154,053	155,632
Needle & syringe exchange payments		584,792	801,444
Payroll tax		97,814	106,191
Poisons schedule costs		18,944	33,935
Postage & courier costs		146,238	133,480
Printing & stationery		421,243	376,593
Reliever expenses		82,062	106,098
Rent & outgoing		45,018	64,194
Salaries paid to employees		1,736,056	1,919,053
Superannuation		370,232	242,984
Telephone, fax & internet costs		102,992	111,921
Temporary staff		84,161	34,826
Training indenture commissions		61,034	7,885
Travel, motor vehicle & accommodation expenses		138,100	166,571
Venue hire		273,609	214,869
Other expenses from ordinary activities		553,238	392,756
		8,831,774	9,027,346
Profit from ordinary activities before income tax expense	3	202,643	11,059
Income tax expense relating to ordinary activities		-	-
Net profit from ordinary activities after income tax expense		202,643	11,059

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 2008

	Notes	2008 \$	2007 \$
CURRENT ASSETS			
Cash and cash equivalents	5	2,559,627	2,254,218
Trade and other receivables	6	3,853,404	3,157,642
Inventories	7	8,000	12,112
Other current assets	8	107,891	100,884
TOTAL CURRENT ASSETS		<u>6,528,922</u>	<u>5,524,856</u>
NON-CURRENT ASSETS			
Financial assets	9	34	34
Property, plant and equipment	10	6,197,384	6,330,426
Intangible assets	11	29,274	-
TOTAL NON-CURRENT ASSETS		6,226,692	6,330,460
TOTAL ASSETS		<u>12,755,614</u>	<u>11,855,316</u>
CURRENT LIABILITIES			
Trade and other payables	12	2,128,169	1,658,134
Short-term provisions	13	301,404	209,571
Other current liabilities	14	2,686,029	2,678,843
TOTAL CURRENT LIABILITIES		<u>5,115,602</u>	<u>4,546,548</u>
NON-CURRENT LIABILITIES			
Long-term provisions	13	132,060	64,459
TOTAL NON-CURRENT LIABILITIES		132,060	64,459
TOTAL LIABILITIES		<u>5,247,662</u>	<u>4,611,007</u>
NET ASSETS		<u>7,507,952</u>	<u>7,244,309</u>
EQUITY			
Reserves	15	1,622,975	1,561,975
Retained earnings	16	5,884,977	5,682,334
TOTAL EQUITY		<u>7,507,952</u>	<u>7,244,309</u>

These statements should be read in conjunction with the accompanying notes

STATEMENT OF CHANGES IN EQUITY
 FOR THE YEAR ENDED 30 JUNE 2008

	Retained Earnings	Asset Revaluation Reserve	Asset Replacement Reserve	Total
	\$	\$	\$	\$
Balance at 1 July 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
Revaluation increment	-	61,000	-	61,000
Net income recognised directly in equity	-	61,000	-	61,000
Profit for the year ended 30 June 2008	202,643	-	-	202,643
Total recognised income & expenses for the period	202,643	61,000	-	263,643
Transfers to and from reserves:				
- asset replacement	-	-	-	-
Balance at 30 June 2008	5,884,977	1,550,975	72,000	7,507,952

These statements should be read in conjunction with the accompanying notes

CASH FLOW STATEMENT
 FOR THE YEAR ENDED 30 JUNE 2008

	Note	2008 \$	2007 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		8,803,616	9,656,290
Payments to suppliers and employees		(8,700,593)	(9,919,056)
Interest received		295,568	293,466
Net cash provided by operating activities	24(b)	398,591	30,700
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		-	58,928
Payment for property, plant and equipment		(93,182)	(200,221)
Net cash used in investing activities		(93,182)	(141,293)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		-	-
Net cash used in financing activities		-	-
Net increase / (decrease) in cash held		305,409	(110,593)
Cash at the beginning of year		2,254,218	2,364,811
Cash at the end of year	24(a)	2,559,627	2,254,218

These statements should be read in conjunction with the accompanying notes

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

(c) 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 assets are:

Class of Fixed Asset	Depreciation Rate
Buildings	2.50%
Plant and equipment	10-33%
Motor vehicles	15-20%

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) Intangibles

Accounting software and implementation costs are treated as intangible assets.

(e) 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.

(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 2008

(h) **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.

(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.

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.

(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.

(m) **Critical Accounting Estimates and Judgments**

The Branch Committee evaluates 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.

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2008

Key estimates - Impairment

The Branch Committee 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 estimates – Provision for impairment of receivables

The Branch Committee have assessed that there are no receivables not collectable as at 30 June 2008.

(n) **Future Changes in Accounting Standards**

The Guild have considered all pending Australian Accounting Standards issued between the previous financial report and the current reporting date and believe they have no material impact on the results or financial position of the Guild.

	2008	2007
	\$	\$
2. REVENUE		
Operating activities:		
Advertising and marketing	427,207	471,222
Commissions	616,867	616,934
Methadone incentive scheme funding	1,207,279	1,235,638
MMR facilitator funding	309,861	273,963
Needle & Syringe exchange program funding	945,822	972,857
Printing sales	45,630	55,852
Promotional income	588,260	577,745
QCPP funding	332,728	34,964
Sales & Valuations commissions	39,220	98,129
Subscriptions	2,553,780	2,841,016
Temperature verification fees	180,798	127,101
Training services	809,507	612,497
Work Choices project funding	-	40,531
Work Cover Assist project funding	96,800	90,556
Other sundry income	368,653	487,018
Non Operating activities:		
Interest – other persons	295,568	293,466
Rent received	216,437	208,916
	<u>9,034,417</u>	<u>9,038,405</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:		
Buildings and leasehold improvements	41,000	37,935
Property, plant and equipment	186,089	173,216
Motor Vehicles	24,783	8,124
Intangibles	6,076	-
Total depreciation of non-current assets	<u>257,948</u>	<u>219,275</u>
Net loss on disposal of non-current assets	<u>-</u>	<u>18,678</u>

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2008

4. KEY MANAGEMENT PERSONNEL COMPENSATION

	Salary & Bonus \$	Superannuation \$	Non-Cash Benefits \$	Other \$	Long-term Benefits \$	Total \$
2008						
Total						
Compensation	809,107	301,588	42,520	32,100	-	1,185,315
2007						
Total						
Compensation	801,923	261,537	37,816	-	-	1,101,276

The number of people included as key management personnel is 12 (2007: 11).

	Note	2008 \$	2007 \$
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5. CASH AND CASH EQUIVALENTS

Cash at bank and on hand		1,488,176	1,254,218
Short-term bank deposit		1,071,451	1,000,000
The effective interest rate on short-term bank deposits was 8.07% (2007: 6.98%). These deposits have an average maturity of 120 days.		2,559,627	2,254,218

6. TRADE AND OTHER RECEIVABLES

CURRENT			
Trade debtors		3,038,283	2,891,465
Provision for doubtful debts		-	(3,141)
		3,038,283	2,888,324
Other debtors		815,121	269,318
		3,853,404	3,157,642

Current trade and term receivables are generally on 30 day terms except for branch membership subscriptions which members can elect to pay by installments in accordance with the Guild's Constitution. Membership subscriptions are not included as revenue until payments are actually received.

The 2007 doubtful debt provision was removed during the year following a debt write-off. No provisioning or write-offs have been necessary during the current year. A provision for impairment is recognised when there is an objective evidence that an individual trade or term receivable is impaired.

7. INVENTORIES

Raw materials and stores		8,000	12,112
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8. OTHER ASSETS

Prepayments		107,891	100,884
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NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2008

9. FINANCIAL ASSETS

Shares in controlled entities – at cost	20	<u>34</u>	<u>34</u>
		2008	2007
		\$	\$

10. PROPERTY, PLANT AND EQUIPMENT,

Freehold land, at fair value		<u>3,790,000</u>	<u>4,060,000</u>
Buildings, at fair value		1,930,000	1,640,000
Accumulated depreciation		<u>-</u>	<u>-</u>
		<u>1,930,000</u>	<u>1,640,000</u>
Total land and buildings		<u>5,720,000</u>	<u>5,700,000</u>
Plant and equipment, at cost		1,632,542	1,574,711
Accumulated depreciation		<u>(1,402,428)</u>	<u>(1,207,884)</u>
		<u>230,114</u>	<u>366,827</u>
Motor vehicles, at cost		89,395	89,395
Accumulated depreciation		<u>(24,783)</u>	<u>(8,454)</u>
		<u>64,612</u>	<u>80,941</u>
Works of art, at fair value		<u>182,658</u>	<u>182,658</u>
		<u>182,658</u>	<u>182,658</u>
Total property, plant and equipment		<u>6,197,384</u>	<u>6,330,426</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 2008; the revalued amount is \$5,720,000.

Works of Art are recorded at a fair market value in continued use and are revalued every three years. On 9 March 2007, Hymans 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 and intangibles between the beginning and the end of the current financial year.

	Opening balance	Additions	Re-valuations	Disposals	Depreciation	Closing balance
	\$	\$	\$	\$	\$	\$
Freehold land and buildings	5,700,000	-	61,000	-	(41,000)	5,720,000
Plant and equipment	366,827	57,830	-	-	(194,543)	230,114
Motor vehicles	80,941	-	-	-	(16,329)	64,612
Works of art	182,658	-	-	-	-	182,658
Total	<u>6,330,426</u>	<u>57,830</u>	<u>61,000</u>	<u>-</u>	<u>(251,872)</u>	<u>6,197,384</u>

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	\$	\$
11. INTANGIBLE ASSETS		
Software, at cost	35,350	-
Accumulated amortisation	<u>(6,076)</u>	<u>-</u>
	<u>29,274</u>	<u>-</u>

	Opening balance	Additions	Re-valuations	Disposals	Amortisation	Closing balance
	\$	\$	\$	\$	\$	\$
Intangibles	-	35,350	-	-	(6,076)	29,274
Total	<u>-</u>	<u>35,350</u>	<u>-</u>	<u>-</u>	<u>(6,076)</u>	<u>29,274</u>

	2008	2007
	\$	\$
12. TRADE AND OTHER PAYABLES		
CURRENT		
Trade creditors	1,170,639	928,313
Accrued charges	605,020	488,043
Other creditors	<u>352,510</u>	<u>241,778</u>
	<u>2,128,169</u>	<u>1,658,134</u>

13. PROVISIONS		
CURRENT		
Employee benefits	<u>301,404</u>	<u>209,569</u>
NON-CURRENT		
Employee benefits	<u>132,060</u>	<u>64,459</u>
Aggregate employee benefits liability	<u>433,464</u>	<u>274,028</u>
No. of employees at end of financial year	<u>38</u>	<u>40</u>

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(e).

14. OTHER CURRENT LIABILITIES		
Deferred income	2,587,635	2,531,857
Subscriptions in advance	80,801	123,592
Monies received in advance	<u>17,593</u>	<u>23,394</u>
	<u>2,686,029</u>	<u>2,678,843</u>

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	\$	\$
15. RESERVES		
Asset replacement reserve	15(a) 72,000	72,000
Asset revaluation reserve	15(b) <u>1,550,975</u>	<u>1,489,975</u>
Closing balance	<u>1,622,975</u>	<u>1,561,975</u>

(a) Asset replacement reserve

Opening balance	72,000	300,000
Released to retained profits	<u>-</u>	<u>(228,000)</u>
Closing balance	<u>72,000</u>	<u>72,000</u>

The asset replacement reserve is a reserve that records an allocation for future capital expenditure.

(b) Asset revaluation reserve

Opening balance	1,489,975	1,195,696
Revaluation of land and buildings	61,000	263,720
Revaluation of works of art	<u>-</u>	<u>30,559</u>
Closing balance	<u>1,550,975</u>	<u>1,489,975</u>

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

16. RETAINED PROFITS

Retained profits at the beginning of the financial year	5,682,334	5,443,275
Released from asset replacement reserve	-	228,000
Net profit attributable to the Guild	<u>202,643</u>	<u>11,059</u>
Retained profits at the end of the financial year	<u>5,884,977</u>	<u>5,682,334</u>

17. AUDITORS' REMUNERATION

Amounts received, or due and receivable, by the auditors for:		
Audit of financial report	35,400	33,750
Other assurance services	<u>21,100</u>	<u>15,650</u>
	<u>56,500</u>	<u>49,400</u>

18. 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 2008

19. FINANCIAL RISK MANAGEMENT

(a) Capital Management

The Guild's financial instruments consist of deposits with banks and accounts receivable and payable. Branch funds are invested in accordance with the Guild's Constitution whereby all monies are deposited with an accredited bank. The Branch manages liquidity risk by monitoring forecast cash flows and ensuring that adequate surplus funds are maintained to meet financial obligations.

When managing capital, The Guild's objective is to ensure that the organisation continues as a going concern as well as to maintain optimal benefits for stakeholders. The Guild also aims to maintain a capital structure that ensures the lowest cost of capital available to the organisation.

The Guild is not subject to any externally imposed capital requirements.

(b) Credit Risk

The Guild continuously monitors defaults by customers and other counterparties and incorporates this information into its credit risk controls. The Guild's management considers that all of the above financial assets are not impaired for each reporting date and are of good quality, including those past due.

The credit risk for liquid funds is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

In respect of trade and other receivables, the Guild is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Current trade and term receivables are 30 day terms except for branch membership subscriptions which members can elect to pay by instalments in accordance with the Guild's Constitution. No terms have been renegotiated during the year.

The 2007 doubtful debt provision was removed during the year following a debt write-off. No provisioning or write-offs have been necessary during the current year. A provision for impairment is recognised when there is an objective evidence that an individual trade or term receivable is impaired.

No trade and other receivables are deemed to be impaired. Collateral is not held as security, nor is it the Guild's policy to transfer (on-sell) receivables. In addition some of the unimpaired trade receivables are past due as at reporting date. The ageing of financial assets past due is as follows:

	2008	2007
	\$	\$
0-30 days	2,867,380	2,870,320
31-60 days	158,187	16,386
61-90 days PDNI*	12,716	109
61-90 days CI*	-	3,141
+91 days PDNI*	-	1,509
+91 days CI*	-	-
	<u>3,038,283</u>	<u>2,891,465</u>

PDNI* Past due not considered impaired

CI* Considered Impairment

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 has material credit risk exposure within the pharmaceutical industry under financial instruments entered into by the organisation.

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2008

The financial assets of the organisation are as follows:

	Note	Weighted Average Effective Interest Rate		Floating Interest Rate		Non-Interest bearing	
		2008 %	2007 %	2008 \$	2007 \$	2008 \$	2007 \$
FINANCIAL ASSETS							
Cash at bank	5	7.25	6.09	1,286,733	1,254,218	-	-
Bank term deposit	5	8.07	6.98	1,071,451	1,000,000	-	-
Trade and other Receivables	6	-	-	-	-	3,239,726	2,891,465
Other Debtors	6	-	-	-	-	815,121	269,318
TOTAL FINANCIAL ASSETS				2,358,184	2,254,218	4,054,847	3,160,783
FINANCIAL LIABILITIES							
Trade and other payables	12	-	-	-	-	1,523,131	1,170,091
Accrued charges	12	-	-	-	-	605,019	488,043
TOTAL FINANCIAL LIABILITIES				-	-	2,128,150	1,658,134

(c) **Sensitivity Analysis**

The Guild has performed sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks. The Guild is exposed to changes in market interest rates through the cash held at banks which are subject to variable and fixed interest rates.

The following table illustrates the sensitivity of the net result for the year and the equity to a reasonably possible change in interest rates of +1% and -1% (2007: +/-1%), with the effect from the beginning of the year. These changes are considered to be reasonably possible based on observations of current market conditions.

The calculations are based on the Guild's financial instruments held at each balance sheet date and exclude monies held in 'at call' accounts for the Methadone Incentive Scheme and Needle and Syringe Exchange government funded programs as bank interest received for these funds must be paid to the NSW State Government. All other variables are held constant.

	2008 \$	2008 \$	2007 \$	2007 \$
	+1%	-1%	+1%	-1%
Net result for the year	18,718	(18,718)	15,780	(15,780)
Equity	18,718	(18,718)	15,780	(15,780)

The Guild does not have any foreign currency or other market exposures.

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2008

20. CONTROLLED ENTITIES

Name	Country of Incorporation	% Owned		Investment At Cost		Contribution to Operating Surplus	
		2008 %	2007 %	2008 \$	2007 \$	2008 \$	2007 \$
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.

21. 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	\$ 1,307,599
Purchases	\$1,534,543

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	G Everett		

22. 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).

23. SYRINGE EXCHANGE & METHADONE INCENTIVE PROGRAMS

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

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2008

	2008 \$	2007 \$
24. 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>2,559,127</u>	<u>2,253,718</u>
Cash balance as per statement of cash flows	<u>2,559,627</u>	<u>2,254,218</u>
(b) Reconciliation of net cash flows from operating activities with operating profit after income tax		
Operating surplus	202,643	11,059
Non-cash flows in operating profit		
Depreciation	257,948	219,275
Loss on sale of property, plant and equipment	-	18,678
Changes in assets and liabilities, net of the effects of purchase and disposals of controlled entities		
(Increase)/Decrease in receivables	(695,762)	187,646
(Increase)/Decrease in prepaid expenses	(7,007)	279,669
Decrease/(Increase) in inventories	4,112	(11,720)
Increase/(Decrease) in creditors	470,035	(36,741)
Increase/(Decrease) in other current liabilities	7,186	(569,820)
Increase/(Decrease) in provisions – employee entitlements	<u>159,436</u>	<u>(67,346)</u>
Cash flows from operations	<u>398,591</u>	<u>30,700</u>

25. 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
FOR THE YEAR ENDED 30 JUNE 2008

On 20 August 2008 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 2008:

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

- (a) the financial statements and notes comply with the 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 2008;
- (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 including the rules of the branch concerned; 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 a 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 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
20 August 2008



John Dorman
Senior Vice-President, Finance
20 August 2008



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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 2008, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the management's certificates.

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



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

Auditor's responsibility (cont)

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.

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 2008, 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.

A handwritten signature in cursive script that reads "Grant Thornton NSW".

GRANT THORNTON NSW
Chartered Accountants

A handwritten signature in cursive script that reads "A J Archer".

A J Archer
Partner

Sydney, 20 August 2008