



FAIR WORK
AUSTRALIA

13 November 2009

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 2009 – FR2009/280

I acknowledge receipt of the financial report for The Pharmacy Guild of Australia, New South Wales Branch for the year ended 30 June 2009. The report was lodged with Fair Work Australia on 25 September 2009.

The financial report has now been filed.

Operating Report

Trustee of superannuation entities

Subsection 254(2)(d) of the *Fair Work (Registered Organisations) Act 2009* requires reporting units to disclose the names of any officer's/members who hold a position of a trustee or director of a superannuation entity "when a criterion for being a trustee or director" is that they are an officer or member of a registered organisation.

Item (f) of the operating report on its face appears to provide details of directorships of personal superannuation entities. If this is so, this information is not required to be disclosed. As the financial report is put on the internet – as the operating report clearly forms part of the public record – if my conclusions are correct you may wish to advise me accordingly and I will delete the personal information before the documents are uploaded to the Fair Work Australia website. I would appreciate your immediate response to this issue.

If you wish to discuss this, or any other related matter I can be contacted on (03) 8661 7764.

Yours sincerely

Kevin Donnellan

Tribunal Services and Organisations

Fair Work Australia

Email: kevin.donnellan@fwa.gov.au



The Pharmacy
Guild of Australia

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

22 September 2009

Dear Sir/Madam

Secretary's Certificate

I confirm that the enclosed Full Report for 30 June 2009 was provided to members on 28 August 2009 and presented at the Annual General Meeting of members on 22 September 2009.

Yours sincerely

Ian Campbell

Branch Director and Secretary



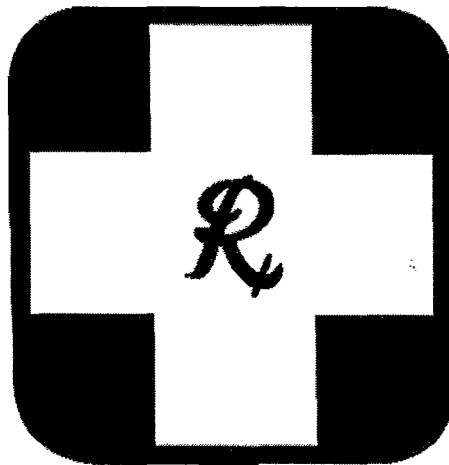
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ABN 87 740 877 429

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

ABN 87 740 877 429



**FULL REPORT
CONSISTING OF**

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

30 JUNE 2009

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OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2009

I, Silas Banks, being the designated officer responsible for preparing this report for the financial year ended 30 June 2009 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 2009 to which this report relates the number of members of the organisation was 1,314 including Honorary Life Members.
 - (ii) As at 30 June 2009 the total number of employees employed by the reporting entity was 46.
 - (iii) In accordance with Regulation 159(c) of the Workplace Relations (Registration and Accountability of Organisations) Regulations 2003 (the RAO Regulations) the following persons were members of the Branch Committee during the reporting period:

1 July 2008 to 30 September 2008

Alison Aylott - Branch Committee Member

Silas Banks - Chair for Executive & Branch Committees, Branch President & National Councillor

John Bronger - Branch Committee Member

Lillian Chen - Branch Committee Member

John Dornan - National Vice President, National Councillor, Branch Vice President Finance, Executive Committee Member & Branch Committee Member

Gregory Everett - Branch Committee Member

Anthony Lawler - Branch Committee Member & Alternate National Councillor

Denis Leahy - Branch Vice President, Executive Committee Member, Branch Committee Member & Alternate National Councillor

Peter McBeath - Branch Vice President, Executive Committee Member & Branch Committee Member

Brendan O'Loughlin - Executive Committee Member, Branch Committee Member & National Councillor

Paul Sinclair - Branch Committee Member

Robert Turner - Branch Committee Member & Alternate National Councillor

OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2009

1 October 2008 to 30 June 2009

Silas Banks - Chair for Executive & Branch Committees, Branch President & National Councillor

John Black - Branch Committee Member

Lillian Chen - Branch Committee Member

Mark Douglass - Branch Committee Member

Gregory Everett - Branch Committee Member & Alternate National Councillor

Timothy Hewitt - Branch Committee Member

Anthony Lawler - Branch Committee Member

Denis Leahy - Branch Vice President Finance, Executive Committee Member, Branch Committee Member & Alternate National Councillor

Binh Luu - Branch Committee Member


Peter McBeath - Branch Vice President, National Councillor, Executive Committee Member & Branch Committee Member

Paul Sinclair - Branch Vice President, National Councillor, Executive Committee Member & Branch Committee Member

Richard Walsh - Branch Committee Member & Alternate National Councillor

(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
5 August 2009

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

INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009

	Note	2009 \$	2008 \$
REVENUE			
Advertising		64,882	57,243
Commission income		675,141	656,087
Interest		204,039	295,568
Methadone incentive scheme funding		1,373,380	1,207,279
MMR facilitator funding		186,042	309,861
Needle & syringe exchange funding		869,812	945,822
Pharmacy business services income		287,882	369,964
Printing sales		39,305	45,630
Promotional income		650,656	588,260
QCPP funding		670,729	332,728
QUMAX funding		141,615	-
Rent		224,143	216,437
Subscriptions - members		2,577,273	2,496,742
Subscriptions – non members		56,832	57,038
Supplementary services		104,956	15,090
Temperature verification fees		233,160	180,798
Training services		953,597	809,507
Workcover Assist Project		49,200	96,800
Other revenue from ordinary activities		414,991	353,563
Revenues from ordinary activities	2	<u>9,777,635</u>	<u>9,034,417</u>
EXPENSES			
Administration services		96,123	102,236
Advertising		32,367	7,929
Audit fees		41,493	66,614
Bank fees		21,576	22,384
Cleaning		38,960	36,110
Consultancy fees		432,913	323,610
Contract wages paid to employee contractors		162,521	73,414
Depreciation expenses		246,108	257,948
Donations		19,103	51,766
Fringe benefits tax		46,970	41,945
Furniture hire		74,779	87,962
Insurance		107,408	108,491
Interest paid		-	83,983
Leave provisions		127,478	159,436
Legal fees		87,298	27,817
Maintenance		158,730	190,135
Methadone incentive payments		1,150,801	993,302
National council dues		1,365,214	1,327,106
Needle & syringe exchange contractor fees		155,865	154,053
Needle & syringe exchange payments		550,452	584,792
Payroll tax		101,906	97,814
Poisons schedule costs		67,804	18,944
Postage & courier costs		131,390	146,238
Printing & stationery		482,512	421,243
Reliever expenses		59,832	82,062
Rent & outgoings		52,724	45,018
Salaries paid to employees		1,758,459	1,736,056
Superannuation		439,529	370,232
Telephone, fax & internet costs		120,484	102,992
Temporary staff		70,761	84,161
Training indenture commissions		-	61,034
Travel, motor vehicle & accommodation expenses		154,964	138,100
Venue hire		254,400	273,609
Other expenses from ordinary activities		625,095	553,238
		<u>9,236,019</u>	<u>8,831,774</u>
Profit from ordinary activities before income tax expense	3	541,616	202,643
Income tax expense relating to ordinary activities		-	-
Net profit from ordinary activities after income tax expense		<u>541,616</u>	<u>202,643</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 2009

	Notes	2009 \$	2008 \$
CURRENT ASSETS			
Cash and cash equivalents	5	4,473,465	2,559,627
Trade and other receivables	6	2,315,564	3,853,404
Inventories	7	25,160	8,000
Other current assets	8	<u>130,774</u>	<u>107,891</u>
TOTAL CURRENT ASSETS		<u>6,944,963</u>	<u>6,528,922</u>
NON-CURRENT ASSETS			
Financial assets	9	34	34
Property, plant and equipment	10	5,826,841	6,197,384
Intangible assets	11	<u>41,354</u>	<u>29,274</u>
TOTAL NON-CURRENT ASSETS		<u>5,868,229</u>	<u>6,226,692</u>
TOTAL ASSETS		<u>12,813,192</u>	<u>12,755,614</u>
CURRENT LIABILITIES			
Trade and other payables	12	1,461,321	2,128,169
Short-term provisions	13	440,150	301,404
Other current liabilities	14	<u>2,953,111</u>	<u>2,686,029</u>
TOTAL CURRENT LIABILITIES		<u>4,854,582</u>	<u>5,115,602</u>
NON-CURRENT LIABILITIES			
Long-term provisions	13	<u>120,792</u>	<u>132,060</u>
TOTAL NON-CURRENT LIABILITIES		<u>120,792</u>	<u>132,060</u>
TOTAL LIABILITIES		<u>4,975,374</u>	<u>5,247,662</u>
NET ASSETS		<u>7,837,818</u>	<u>7,507,952</u>
EQUITY			
Reserves	15	1,411,225	1,622,975
Retained earnings		<u>6,426,593</u>	<u>5,884,977</u>
TOTAL EQUITY		<u>7,837,818</u>	<u>7,507,952</u>

These statements should be read in conjunction with the accompanying notes

STATEMENT OF CHANGES IN EQUITY
 FOR THE YEAR ENDED 30 JUNE 2009

	Retained Earnings	Asset Revaluation Reserve	Asset Replacement Reserve	Total
	\$	\$	\$	\$
Balance at 1 July 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
Balance at 30 June 2008	5,884,977	1,550,975	72,000	7,507,952
Revaluation decrement	-	(211,750)	-	(211,750)
Net income recognised directly in equity	-	(211,750)	-	(211,750)
Profit for the year ended 30 June 2009	541,616	-	-	541,616
Total recognised income & expenses for the period	541,616	(211,750)	-	329,866
Balance at 30 June 2009	6,426,593	1,339,225	72,000	7,837,818

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 2009

	Note	2009 \$	2008 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		12,859,417	8,803,616
Payments to suppliers and employees		(11,050,223)	(8,700,593)
Interest received		<u>204,039</u>	<u>295,568</u>
Net cash provided by operating activities	22(b)	<u>2,013,233</u>	<u>398,591</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		<u>(99,395)</u>	<u>(93,182)</u>
Net cash used in investing activities		<u>(99,395)</u>	<u>(93,182)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash used in financing activities		<u>-</u>	<u>-</u>
Net increase in cash held		1,913,838	305,409
Cash at the beginning of year		<u>2,559,627</u>	<u>2,254,218</u>
Cash at the end of year	22(a)	<u>4,473,465</u>	<u>2,559,627</u>

These statements should be read in conjunction with the accompanying notes

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

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 2009

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

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 2009

(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 2009

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

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 2009.

(n) **New Standards and Interpretations Not Yet Adopted**

The following standards and amendments to standards have been identified as those which may impact the Guild in the period of initial application. They are available for early adoption at 30 June 2009, but have not been applied in preparing this financial report.

- Revised AASB 101 Presentation of Financial Statements (2007) introduces the term total comprehensive income, which represents changes in equity during a period other than those changes resulting from transactions with owners in their capacity as owners. Total comprehensive income may be presented in either a single statement of comprehensive income (effectively combining both the income statement and all non-owner changes in equity in a single statement) or, in an income statement and a separate statement of comprehensive income. Revised AASB 101, which becomes mandatory for the Guild's 30 June 2010 financial statements, is expected to have a significant impact on the presentation of the financial statements. The Guild plans to provide total comprehensive income in a single statement of comprehensive income for its 2010 financial statements.
- AASB 2008-5 Amendments to Australian Accounting Standards arising from the Annual Improvements Process and 2008-6 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Process affect various AASB's resulting in minor changes for presentation, disclosure, recognition and measurement purposes. The amendments, which become mandatory for the Guild's 30 June 2010 financial statements, are not expected to have any impact on the financial statements.

(o) **New Standard Early Adopted**

The disclosure requirements of AASB 114: Segment Reporting has been replaced by the issuing of AASB 8: Operating Segments in February 2007. AASB 8 is applicable for reporting periods beginning on or after 1 January 2009, with early adoption permitted. The amendments involve changes to segment reporting disclosures within the financial report, however, there will be no direct impact on amounts included in the financial report as it is a disclosure standard and its application is required by disclosing entities. The Pharmacy Guild of Australia (NSW Branch) has therefore elected to early adopt AASB 8 in accordance with this accounting standard. The Guild is not a disclosing entity therefore no segment reporting disclosures are required.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

	2009	2008
	\$	\$
2. REVENUE		
Operating activities:		
Advertising and marketing	352,764	427,207
Commissions	652,541	616,867
Methadone incentive scheme funding	1,373,380	1,207,279
MMR facilitator funding	186,042	309,861
Needle & Syringe exchange program funding	869,812	945,822
Printing sales	39,305	45,630
Promotional income	650,656	588,260
QCPP funding	670,729	332,728
QUMAX funding	141,615	-
Sales & Valuations commissions	22,600	39,220
Subscriptions	2,634,105	2,553,780
Supplementary services	104,956	15,090
Temperature verification fees	233,160	180,798
Training services	953,597	809,507
Work Cover Assist project funding	49,200	96,800
Other sundry income	414,991	353,563
Non Operating activities:		
Interest – other persons	204,039	295,568
Rent received	224,143	216,437
	<u>9,777,635</u>	<u>9,034,417</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	48,250	41,000
Property, plant and equipment	154,390	186,089
Motor Vehicles	17,813	24,783
Intangibles	25,655	6,076
	<u>246,108</u>	<u>257,948</u>
Total depreciation of non-current assets		
	<u>-</u>	<u>-</u>
Net loss on disposal of non-current assets		

4. KEY MANAGEMENT PERSONNEL COMPENSATION

	Salary & Bonus	Superannuation	Non-Cash Benefits	Other	Long-term Benefits	Total
	\$	\$	\$	\$	\$	\$
2009						
Total						
Compensation	800,997	371,686	37,596	32,100	-	1,242,379
2008						
Total						
Compensation	809,107	301,588	42,520	32,100	-	1,185,315

The number of people included as key management personnel is 10 (2008: 12).

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2009

	2009 \$	2008 \$
5. CASH AND CASH EQUIVALENTS		
Cash at bank and on hand	3,452,780	1,488,176
Short-term bank deposit	<u>1,020,685</u>	<u>1,071,451</u>
The effective interest rate on short-term bank deposits was 6.00% (2008: 8.07%). These deposits have an average maturity of 120 days.	<u>4,473,465</u>	<u>2,559,627</u>
6. TRADE AND OTHER RECEIVABLES		
CURRENT		
Trade debtors	1,538,525	3,038,283
Provision for doubtful debts	<u>-</u>	<u>-</u>
	1,538,525	3,038,283
Other debtors	<u>777,039</u>	<u>815,121</u>
	<u>2,315,564</u>	<u>3,853,404</u>
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. 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	<u>25,160</u>	<u>8,000</u>
8. OTHER ASSETS		
Prepayments	<u>130,774</u>	<u>107,891</u>
9. FINANCIAL ASSETS		
Shares in controlled entities – at cost	18 <u>34</u>	<u>34</u>
10. PROPERTY, PLANT AND EQUIPMENT,		
Freehold land, at fair value	<u>3,500,000</u>	<u>3,790,000</u>
Buildings, at fair value	1,960,000	1,930,000
Accumulated depreciation	<u>-</u>	<u>-</u>
	<u>1,960,000</u>	<u>1,930,000</u>
Total land and buildings	<u>5,460,000</u>	<u>5,720,000</u>
Plant and equipment, at cost	1,701,937	1,632,542
Accumulated depreciation	<u>(1,564,553)</u>	<u>(1,402,428)</u>
	<u>137,384</u>	<u>230,114</u>
Motor vehicles, at cost	89,395	89,395
Accumulated depreciation	<u>(42,596)</u>	<u>(24,783)</u>
	<u>46,799</u>	<u>64,612</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>5,826,841</u>	<u>6,197,384</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

Mr. Ian Handley, Certified Practising Valuer No.1135, of Handley Partners Property, performed an independent valuation on the land and buildings on 30 June 2009; the revalued amount is \$5,460,000.

Valuations were made on the basis of market value, including assessment of sales of similar commercial strata and office buildings within the vicinity. The revaluation was debited to the asset revaluation reserve.

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	5,720,000	-	(211,750)	-	(48,250)	5,460,000
Plant and equipment	230,114	69,395	-	-	(162,125)	137,384
Motor vehicles	64,612	-	-	-	(17,813)	46,799
Works of art	182,658	-	-	-	-	182,658
Total	6,197,384	69,395	(211,750)	-	(228,188)	5,826,841

	2009	2008
	\$	\$
11. INTANGIBLE ASSETS		
Software, at cost	65,350	35,350
Accumulated amortisation	(23,996)	(6,076)
	<u>41,354</u>	<u>29,274</u>

	Opening balance	Additions	Re-valuations	Disposals	Amortisation	Closing balance
	\$	\$	\$	\$	\$	\$
Intangibles	29,274	30,000	-	-	(17,920)	41,354
Total	29,274	30,000	-	-	(17,920)	41,354

12. TRADE AND OTHER PAYABLES

CURRENT		
Trade creditors	841,391	1,170,639
Accrued charges	405,834	605,020
Other creditors	214,096	352,510
	<u>1,461,321</u>	<u>2,128,169</u>

13. PROVISIONS

CURRENT		
Employee benefits	440,150	301,404
NON-CURRENT		
Employee benefits	120,792	132,060
Aggregate employee benefits liability	<u>560,942</u>	<u>433,464</u>
No. of employees at end of financial year	46	38

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2009

	2009	2008
	\$	\$
<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(e).</p>		
14. OTHER CURRENT LIABILITIES		
Deferred income	1,276,146	2,587,635
Subscriptions in advance	1,662,827	80,801
Monies received in advance	<u>14,138</u>	<u>17,593</u>
	<u>2,953,111</u>	<u>2,686,029</u>
15. RESERVES		
Asset replacement reserve	15(a) 72,000	72,000
Asset revaluation reserve	15(b) <u>1,339,225</u>	<u>1,550,975</u>
Closing balance	<u>1,411,225</u>	<u>1,622,975</u>
(a) Asset replacement reserve		
Opening balance	72,000	72,000
Released to retained profits	<u>-</u>	<u>-</u>
Closing balance	<u>72,000</u>	<u>72,000</u>
<p>The asset replacement reserve is a reserve that records an allocation for future capital expenditure.</p>		
(b) Asset revaluation reserve		
Opening balance	1,550,975	1,489,975
Revaluation of land and buildings	(211,750)	61,000
Revaluation of works of art	<u>-</u>	<u>-</u>
Closing balance	<u>1,339,225</u>	<u>1,550,975</u>
<p>The asset revaluation reserve records revaluations of non-current assets.</p>		
16. AUDITORS' REMUNERATION		
Amounts received, or due and receivable, by the auditors for:		
Audit of financial report	39,700	35,400
Other assurance services	<u>3,200</u>	<u>21,100</u>
	<u>42,900</u>	<u>56,500</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

17. 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.

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:

	2009	2008
	\$	\$
0-30 days	161,966	2,867,380
31-60 days	1,371,024	158,187
61-90 days PDNI*	5,535	12,716
61-90 days CI*	-	-
+91 days PDNI*	-	-
+91 days CI*	-	-
	<u>1,538,525</u>	<u>3,038,283</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 2009

The financial assets of the organisation are as follows:

	Note	Weighted Average Effective Interest Rate		Floating Interest Rate		Non-Interest bearing	
		2009 %	2008 %	2009 \$	2008 \$	2009 \$	2008 \$
FINANCIAL ASSETS							
Cash at bank	5	4.50	7.25	3,452,780	1,488,176	-	-
Bank term deposit	5	6.50	8.07	1,020,685	1,071,451	-	-
Trade and other Receivables	6	-	-	-	-	1,538,525	3,239,726
Other Debtors	6	-	-	-	-	777,039	815,121
TOTAL FINANCIAL ASSETS				4,473,465	2,559,627	2,315,564	4,054,847
FINANCIAL LIABILITIES							
Trade and other payables	12	-	-	-	-	1,055,469	1,523,131
Accrued charges	12	-	-	-	-	405,834	605,019
TOTAL FINANCIAL LIABILITIES				-	-	1,461,303	2,128,150

(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% (2008: +/-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.

	2009	2009	2008	2008
	\$	\$	\$	\$
	+1%	-1%	+1%	-1%
Net result for the year	24,638	(24,638)	18,718	(18,718)
Equity	24,638	(24,638)	18,718	(18,718)

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

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2009

18. CONTROLLED ENTITIES

Name	Country of Incorporation	% Owned		Investment At Cost		Contribution to Operating Surplus	
		2009 %	2008 %	2009 \$	2008 \$	2009 \$	2008 \$
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.

19. 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	\$1,419,733
Purchases	\$1,396,911

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

A Aylott	S Banks	J Black	J Bronger	L Chen
J Dornan	M Douglass	G Everett	T Hewitt	A Lawler
D Leahy	B Luu	P McBeath	B O'Loughlin	P Sinclair
R Turner	R Walsh			

20. 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).

21. 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 2009

	2009	2008
	\$	\$
22. 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>4,472,965</u>	<u>2,559,127</u>
Cash balance as per statement of cash flows	<u>4,473,465</u>	<u>2,559,627</u>
(b) Reconciliation of net cash flows from operating activities with operating profit after income tax		
Operating surplus	541,616	202,643
Non-cash flows in operating profit		
Depreciation	246,108	257,948
Loss on sale of property, plant and equipment		-
Changes in assets and liabilities, net of the effects of purchase and disposals of controlled entities		
Decrease/(Increase) in receivables	1,537,840	(695,762)
Increase in prepaid expenses	(22,883)	(7,007)
(Increase)/Decrease in inventories	(17,160)	4,112
(Decrease)/Increase in creditors	(666,848)	470,035
Increase in other current liabilities	267,082	7,186
Increase in provisions – employee entitlements	<u>127,478</u>	<u>159,436</u>
Cash flows from operations	<u>2,013,233</u>	<u>398,591</u>

23. 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.

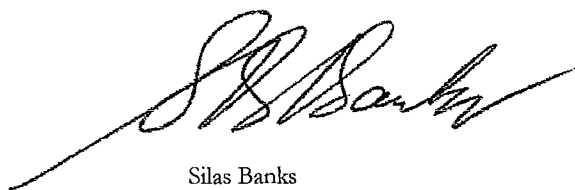
COMMITTEE OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 30 JUNE 2008

On 5 August 2009 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 2009:

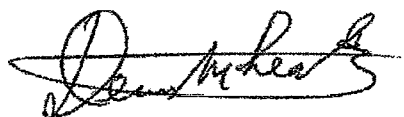
The Committee of Management declares in relation to the GPFR that in its opinion:

- (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 2009;
- (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
5 August 2009



Denis Leahy
Vice-President, Finance
5 August 2009

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Independent Auditor's Report

To the members of The Pharmacy Guild of Australia (NSW Branch)

Report on the financial report

We have audited the accompanying financial report of The Pharmacy Guild of Australia (NSW Branch), which comprises the balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the Committee of Management Statement.

Committee's responsibility for the financial report

The Committee is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Workplace Relations Act 1996. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards, 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.



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

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

Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional ethical pronouncements.

Auditor's opinion

In our opinion, the general purpose financial report presents fairly, in all material respects, the financial position of The Pharmacy Guild of Australia (NSW Branch) as of 30 June 2009 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards including Australian Accounting Interpretations.

Report on other legal and regulatory requirements

In our opinion, the financial report also complies with the requirements of Schedule 1 of the Workplace Relations Act 1996.

Grant Thornton NSW

GRANT THORNTON NSW
Chartered Accountants

C/F Farley
Partner

Sydney, 5 August 2009