



Australian Government
Australian Industrial Registry

Level 35, Nauru House
80 Collins Street, Melbourne, VIC 3000
GPO Box 1994S, Melbourne, VIC 3001
Telephone: (03) 8661 7777
Fax: (03) 9654 6672

Mr K Sclavos
Branch President
The Pharmacy Guild of Australia
Queensland Branch
PO Box 457
SPRING HILL QLD 4004

Dear Mr Sclavos,

**Re: Schedule 1B of the Workplace Relations Act 1996 (the RAO Schedule)
Financial reports for year ended 30 June 2004 - FR2004/302**

I have received the financial reports of your organisation for year ended 30 June 2004. The documents were lodged in the Industrial Registry on 23 September 2004.

The documents have been filed.

Although the documents have been filed, I would like to comment on some issues arising out of the reports. I make these comments to assist you when you next prepare financial reports and you do not need to take any further action in respect of the financial reports already lodged.

1. Operating report

(a) Prescribed and other Information

I note you indicate at paragraph (e)(iii) of the Operating Report that the Annual Report contains the names of each person who had been an office bearer of the branch for the full reporting period, and the period for which he or she held such office if not for the full period. While the list of office bearers contained in the Annual Report has been properly set out, it should have formed part of the Operating Report.

(b) Members advice

Paragraph (c)(i) of the Branch's Operating Report provides that a member may resign from membership by written notice addressed and delivered to the Branch Director. It is our view that this requirement necessitates, as a minimum, the inclusion of a reference to the specific rule in the rules of the reporting unit which makes provision for the resignation of members. Of course, if you choose to reproduce the whole of the relevant rule that would clearly satisfy the requirements of that provision.

(c) **Trustee or Director of superannuation entity**

The supplement to Section 254(2)(d) qualifies the obligation in that subsection to the reporting of the names of only those persons who hold the specified positions because they are "officers or members of a registered organisation". It is unclear whether the persons referred to in paragraph (d) of the Operating Report fall into this category. If I am wrong in this regard please ignore this comment.

2. **General Purpose Financial Report (GPFR)**

(a) **Notes to Accounts**

The accounts must contain a notice drawing the attention of the members to provisions of the RAO Schedule that prescribed information is available to them on request. Subsection 272(5) of the RAO Schedule requires the GPFR to set out subsections 272(1), (2) and (3). Would you please ensure those subsections are copied into the GPFR in the next financial report of the Branch.

3. **Committee of Management Statement**

(a) **Consistency with other reporting units**

This area of the Committee of Management Statement relates to Item 17(e)(iv) of the Registrar's Reporting Guidelines. Your Branch Committee's statement at paragraph (e)(iv) provides that: "the organisation consists of one reporting unit". Subsection 242(3) of the RAO Schedule provides, in part, that where an organisation is divided into branches, each branch will be a reporting unit. As the PGA (the organisation) consists of a number of reporting units, you may wish to consider declarations that have been made by other reporting units of the PGA when preparing this statement for next years' financial report (financial reports of all reporting units are placed on our website at www.airc.gov.au/organisations/list/list.html (click on Org Number)).

4. **Loans, grants or donations**

A statement of donations made by the Branch for the financial year ending 30 June 2004 was received in this office on 30 September 2004. The content of the statement has been noted and has been placed on a Registry file that is not available to the general public.

Please do not hesitate to contact me on (03) 8661 7817 if you wish to discuss this letter.

Yours sincerely,



Robert Pfeiffer
Statutory Services Branch

15 October 2004



The PHARMACY GUILD of AUSTRALIA
QUEENSLAND BRANCH
A.B.N. 87 076 197 623

Designated Officer's Certificate

s268 of Schedule 1B Workplace Relations Act

I, Kosmas Stan Sclavos, being the Branch President of the Pharmacy Guild of Australia Queensland Branch certify:

- that the documents lodged herewith are copies of the full report, referred to in s268 of the RAO Schedule; and
- that the full report was provided to members on 24th August 2004; and
- that the full report was presented to a general meeting of members of the reporting unit on 14th September 2004; in accordance with section 266 of the RAO Schedule.

Signature.....

Date: 15 September 2004



Financial Statements

The following reports are included in the Financial Statements:

- Operating Report
- Concise Report
- General Purpose Financial Report
- Committee of Management Statement
- Auditor's Report

**PHARMACY GUILD OF AUSTRALIA
(QUEENSLAND BRANCH)**

OPERATING REPORT

I, KOSMAS STAN SCLAVOS, being the designated officer responsible for preparing this report for the financial year ended 30 June 2004 of The Pharmacy Guild of Australia Queensland Branch, report as follows:

(a) Principal Activities:

- (i) The Pharmacy Guild of Australia Queensland Branch is an employers' organisation servicing the needs of proprietors of independent community pharmacies and to represent their interests in industrial matters.
- (ii) The Pharmacy Guild of Australia Queensland 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 Queensland 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 Queensland 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 schedule, (RAO), a member may resign from membership by written notice addressed and delivered to the Branch Director;
- (ii) the register of members of the organisation was maintained in accordance with the RAO;
- (iii) Section 272 of the RAO outlines members and the registrar's rights to certain prescribed information.

(d) Officers of the organisation holding the position of a trustee of a superannuation entity are as follows:

- (i) Timothy Logan, trustee of the Logan Family Superannuation Fund.
- (ii) Robert Tomarchio, trustee of the AR Tomarchio Superannuation Fund.
- (iii) Michael Farrell, trustee of the Caneland Pharmacy Superannuation Fund.
- (iv) Jason Yim, trustee of the Yim's Superannuation Fund.
- (v) Rick Xynias, trustee of the Xynias Super Fund.
- (vi) Neil Anderson, director of N&D Anderson Family Superannuation. N&D Anderson Family Superannuation acts as trustee of the N&D Anderson Family Superannuation Fund.

(e) Prescribed and other Information:

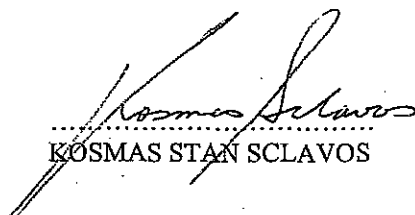
- (i) As at 30 June 2004 to which this report relates the number of members of the organisation was 1492 including Honorary Life Members;
- (ii) As at 30 June 2004 the total number of employees employed by the reporting entity was 24.
- (iii) Included in the Annual Report in the report Branch Office Bearers are the names of each person who has been a member of the committee of management of The Pharmacy Guild of Australia Queensland Branch for the full reporting period, and the period for which he or she held such a position if not for the full year.

**PHARMACY GUILD OF AUSTRALIA
(QUEENSLAND BRANCH)**

OPERATING REPORT(Cont)

(f) Insurance of Officers:

During the financial year, The Pharmacy Guild of Australia Queensland Branch paid insurance to cover all officers of The Pharmacy Guild of Australia Queensland Branch. The officers of The Pharmacy Guild of Australia Queensland Branch covered by the insurance policy include all the committee of management. Other officers covered by the contract are the management of The Pharmacy Guild of Australia Queensland 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 Queensland Branch.



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KOSMAS STAN SCLAVOS

Date: 19 August 2004

**PHARMACY GUILD OF AUSTRALIA
(QUEENSLAND BRANCH)**

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2004**

	Note	2004 \$	2003 \$
Revenues from ordinary activities	2	4,001,736	3,658,566
Employee benefits expense	3(b)	(1,038,350)	(889,085)
Depreciation and amortisation expense	3(a)	(108,841)	(90,549)
Borrowing costs expense	3(a)	(41,576)	(43,007)
Other expenses from ordinary activities	3(c)	(2,727,781)	(2,389,016)
Profit from ordinary activities before income tax expense	3	85,188	246,909
Net Profit from ordinary activities after income tax expense	13	85,188	246,909
Total changes in equity other than those resulting from transactions with owners as owners		<u>\$ 85,188</u>	<u>\$ 246,909</u>

The accompanying notes form part of these financial statements

**PHARMACY GUILD OF AUSTRALIA
(QUEENSLAND BRANCH)**

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2004

	Note	2004 \$	2003 \$
CURRENT ASSETS			
Cash assets	4	1,434,686	1,134,652
Receivables	5	830,478	171,042
Other	6	112,582	81,568
		<hr/>	<hr/>
TOTAL CURRENT ASSETS		2,377,746	1,387,262
		<hr/>	<hr/>
NON-CURRENT ASSETS			
Property, plant and equipment	7	1,717,266	1,709,900
Other	8	42,410	-
		<hr/>	<hr/>
TOTAL NON-CURRENT ASSETS		1,759,676	1,709,900
		<hr/>	<hr/>
TOTAL ASSETS		4,137,422	3,097,162
		<hr/>	<hr/>
CURRENT LIABILITIES			
Payables	9	1,790,626	835,679
Interest Bearing Liabilities	10	59,939	11,949
Provisions	11	120,741	96,411
		<hr/>	<hr/>
TOTAL CURRENT LIABILITIES		1,971,306	944,039
		<hr/>	<hr/>
NON-CURRENT LIABILITIES			
Interest Bearing Liabilities	10	486,346	546,285
Provisions	11	14,563	26,820
		<hr/>	<hr/>
TOTAL NON-CURRENT LIABILITIES		500,909	573,105
		<hr/>	<hr/>
TOTAL LIABILITIES		2,472,215	1,517,144
		<hr/>	<hr/>
NET ASSETS		\$1,665,207	\$1,580,018
		<hr/>	<hr/>
EQUITY			
Reserves	12	4,615	4,615
Retained profits	13	1,660,592	1,575,403
		<hr/>	<hr/>
TOTAL EQUITY		\$1,665,207	\$1,580,018
		<hr/>	<hr/>

The accompanying notes form part of these financial statements.

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

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2004**

	Note	2004 \$ Inflows (Outflows)	2003 \$ Inflows (Outflows)
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members and customers		3,105,587	3,455,769
Payments to suppliers and employees		(2,680,034)	(3,136,008)
Interest received		81,717	77,530
Borrowing costs paid		(41,576)	(43,007)
Net cash provided by/ (used in) operating activities	18(b)	465,694	354,284
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(116,207)	(283,427)
Payments for deferred development costs		(42,410)	-
Proceeds from sale of property, plant and equipment		-	37,851
Net cash provided by/(used in) investing activities		(158,617)	(245,576)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from Borrowings		-	68,778
Repayment of Lease Liabilities		(11,949)	(10,544)
Proceeds from Project Assets		4,906	7,957
Net cash provided by/(used in) financing activities		(7,043)	66,191
NET (DECREASE) INCREASE IN CASH HELD		300,034	174,899
Cash at the beginning of the financial year		1,134,652	959,753
CASH AT THE END OF THE FINANCIAL YEAR	18(a)	\$ 1,434,686	\$ 1,134,652

The accompanying notes form part of these financial statements.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004**

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Financial Statements

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

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The accounting policies have been consistently applied, unless otherwise stated.

(b) Property, Plant and Equipment

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

(c) Deferred Development Costs

The costs associated with the development of the epharmacy website have been capitalised and will be amortised over a period of two and a half years commencing 1 July 2004.

(d) Depreciation

The depreciable amount of all fixed assets is depreciated on a straight line basis over the estimated useful lives to the entity commencing from the time the asset is held ready to use. Leasehold improvements are amortised over the estimated useful lives of the improvements.

Depreciation rates used for each class of assets are:

<i>Class of Fixed Asset</i>	<i>Depreciation Rate</i>
Buildings	2.5%
Leased Assets	10% - 20%
Motor vehicles	20%
Office furniture, fittings and equipment	10% - 33.33%

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004**

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont)

(e) Employee Entitlements

Provision is made for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year, together with entitlements arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at the amounts expected to be paid when the liabilities are settled plus related on costs. Other 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 entity to employee superannuation funds and are charged as expenses when incurred.

(f) Income Tax

The Pharmacy Guild of Australia is exempt from income tax under Section 50-15 of the Income Tax Assessment Act 1997.

(g) Cash

For the purpose of the statement of cash flows, cash includes cash on hand and at call deposits with banks or financial institutions, net of bank overdraft.

(h) Consolidation

The financial report has been prepared to include the Queensland Branch financial accounts and the investment held in the Guild Properties (Queensland) Unit Trust.

(i) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the lease ownership are transferred to the entity are classified as finance leases. Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments including any guaranteed residual values. Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the entity will obtain ownership of the asset or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

(j) Change in Accounting Policy

The entity changed its accounting policy in the financial year ended 30 June 2004 relating to its member subscriptions. Member subscriptions invoiced in advance are now included as trade debtors whilst the income is now shown as a liability. This ensures correct accountability of accounts receivable & taxes payable. There is no effect on the amount recognised as revenue or expense for the reporting period.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004**

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont)

(k) Adoption of Australian Equivalent to International Financial Reporting Standards

Australia is currently preparing for the introduction of International Financial Reporting Standards (IFRS) effective for financial years commencing 1 January 2005. This requires the production of accounting data for future comparative purposes at the beginning of the next financial year.

The economic entity's management, along with its auditors, are assessing the significance of these changes and preparing for their implementation.

The Committee of Management are of the opinion that the key differences in the economic entity's accounting policies which will arise from the adoption of IFRS are:

Research and Development Expenditure

Pending standard AASB 138 Intangible Assets further requires that costs associated with research be expensed in the period in which they are incurred. In terms of current policy, research costs are capitalised to the statement of financial position where it is expected beyond any reasonable doubt that sufficient future benefits will be derived so as to recover these deferred costs.

Impairment of Assets

The entity currently determines the recoverability amount of an asset on the basis of undiscounted net cash flows that will be received from the assets use and subsequent disposal. In terms of the pending AASB 136 Impairment of Assets, the recoverable amount of an asset will be determined as the higher of fair value less costs to sell and value in use. It is likely that this change in accounting policy will lead to impairments being recognised more often than under the existing policy.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004**

	2004	2003
	\$	\$
Note 2. Revenue		
<i>Operating activities</i>		
Administration costs recovered	199,335	215,079
Bad and doubtful debts recovered	-	5,049
Commissions received	452,612	419,935
Interest received	81,717	77,530
Member Subscriptions	969,888	989,684
National Secretariat Fighting Fund	387,795	388,500
Sales revenue	1,130,677	950,925
Training course fees	625,921	500,114
Third Agreement Co-ordinator Assistant Funding	40,833	-
Third Agreement DMMR Income	112,958	109,536
Other income	-	2,214
	<hr/>	<hr/>
Total revenue	<u>\$4,001,736</u>	<u>\$ 3,658,566</u>

Note 3. Profit from Ordinary Activities

Profit from ordinary activities before income tax expense has been determined after:

(a) Expenses:

<i>Amortisation of non-current assets</i>		
Leased Assets	12,417	10,091
	<hr/>	<hr/>
Total amortisation	12,417	10,091
<i>Depreciation of non-current assets</i>		
Plant and equipment	78,001	64,320
Buildings	18,423	16,138
	<hr/>	<hr/>
	96,424	80,458
<i>Remuneration of auditor</i>		
Audit or review services	11,000	9,750
Other services	2,700	10,450
	<hr/>	<hr/>
Total remuneration	<u>13,700</u>	<u>20,200</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004**

	2004	2003
	\$	\$
Note 3. Profit from Ordinary Activities		
(a) Expenses: (Cont)		
<i>Bad and Doubtful Debts</i>	572	-
<i>Borrowing Costs</i>	41,576	43,007
<i>Net loss on disposal of non-current assets</i>	-	2,724
	<u> </u>	<u> </u>

(b) Significant Revenues and Expenses:

The following significant revenue and expense items are relevant in explaining the financial performance:

Employee benefits expense

Fringe benefits tax	(32,165)	(19,245)
Payroll tax	(47,363)	(42,855)
Provision for annual leave	(66,479)	(53,560)
Provision for long service leave	(4,547)	(9,669)
Salaries – employees	(793,018)	(690,515)
Superannuation	(83,216)	(71,561)
Other	(11,562)	(1,680)
	<u> </u>	<u> </u>
	<u>\$ (1,038,350)</u>	<u>\$ (889,085)</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004**

	2004	2003
	\$	\$
Note 3. Profit from Ordinary Activities (Cont)		
(c) Amounts included in other expenses from ordinary activities:		
Administration fees	174,332	192,872
Advertising and promotions expenses	28,585	21,306
Bank and card charges	16,462	22,440
Branch committee expenses	13,355	33,169
Cleaning expenses	18,266	15,324
Computer and internet costs	23,262	16,703
Conference and seminar expenses	27,786	22,426
Consultancy expenses – other	7,232	3,060
Contract Staff	40,087	46,571
Dispatch expenses	65,644	54,743
Elected officials' remuneration	133,364	42,341
Events Expenses		
- Catering	203,586	179,497
- Commissions Paid	28,797	34,489
- Consultancy expenses	24,000	2,000
- Display expenses	28,050	46,997
- Printing & Stationery	77,415	60,948
- Speaker Costs	47,342	11,576
- Technical expenses	155,032	107,231
Legal and professional fees	12,947	2,697
Meals expenses	37,732	13,094
Meeting expenses – AGM	7,715	6,873
Motor Vehicle expenses	23,609	13,983
National Secretariat dues expense	482,687	485,597
National Secretariat Fighting Fund	387,795	388,500
Insurance expenses	52,560	35,754
Printing and stationery – other	134,057	112,278
Power and light	13,356	12,010
Purchases – Merchandise	25,300	20,148
Repairs and maintenance	15,647	17,201
Security expenses	3,049	3,282
Sponsorship	20,232	19,410
Staff Procurement	29,333	2,507
Subscriptions, donations and grants	41,315	23,677
Telephone expenses	43,759	41,148
Travelling and fares expenses	79,921	54,669
Third Agreement DMMR consulting expenses	73,995	69,050
Sundry expenses	130,175	153,445
	<u>\$ 2,727,781</u>	<u>\$ 2,389,016</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004**

	2004	2003
	\$	\$
Note 4. CASH ASSETS		
Cash at bank	1,434,486	1,134,532
Cash on hand	200	120
	<u>\$ 1,434,686</u>	<u>\$ 1,134,652</u>
Note 5. RECEIVABLES		
Current		
Trade debtors	662,832	17,331
Provision for Doubtful Debts	-	-
	<u>662,832</u>	<u>17,331</u>
Accrued Revenue	101,628	96,138
Sundry Debtors	28,009	34,920
Amounts receivable from related entities:		
The National Secretariat	19,321	14,227
Pharmacy Guild of Australia NSW Branch	17,834	7,326
Pharmacy Guild of Australia SA Branch	437	-
Pharmacy Guild of Australia VIC Branch	202	-
Pharmacy Guild of Australia WA Branch	147	-
Pharmacy Guild of Australia ACT Branch	68	-
Pharmacy Computers Australia	-	1,100
	<u>\$ 830,478</u>	<u>\$ 171,042</u>
Note 6. OTHER ASSETS		
Current		
Prepayments	<u>\$ 112,582</u>	<u>\$ 81,568</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004**

	2004 \$	2003 \$
Note 7. PROPERTY, PLANT AND EQUIPMENT		
Office furniture and equipment at cost	457,124	388,745
Accumulated depreciation	(319,794)	(277,430)
	<u>137,330</u>	<u>111,315</u>
Motor vehicles - at cost	216,486	168,626
Accumulated depreciation	(54,708)	(19,039)
	<u>161,778</u>	<u>149,587</u>
Furniture and fittings - at cost	2,821	2,821
Accumulated depreciation	(2,821)	(2,821)
	<u>-</u>	<u>-</u>
Leased Assets	62,086	62,086
Accumulated amortisation	(22,508)	(10,091)
	<u>39,578</u>	<u>51,995</u>
Freehold Land at cost	940,000	940,000
Buildings at cost	575,718	575,718
Accumulated depreciation	(137,138)	(118,715)
	<u>1,378,580</u>	<u>1,397,003</u>
TOTAL PROPERTY, PLANT AND EQUIPMENT	<u><u>\$ 1,717,266</u></u>	<u><u>\$ 1,709,900</u></u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004**

2004
\$

2003
\$

Note 7. PROPERTY, PLANT AND EQUIPMENT (Cont)

a.)

	Office Furniture and Equipment \$	Motor Vehicles \$	Furniture and Fittings \$	Leased Assets \$	Queensland Property Land and Buildings \$	Total \$
Balance at the beginning of year	111,315	149,587	-	51,995	1,397,003	1,709,900
Additions	68,207	48,000	-	-	-	116,207
Disposals	-	-	-	-	-	-
Depreciation & amortisation expense	(42,192)	(35,809)	-	(12,417)	(18,423)	(108,841)
Carrying amount at the end of the year	137,330	161,778	-	39,578	1,378,580	1,717,266

Depreciation and amortisation expense as per movement schedule	108,841	98,506
Depreciation and amortisation expense included in profit for ordinary activities	103,935	90,549
Depreciation and amortisation expense recovered from assets used by the pharmacy liaison project	<u>\$ 4,906</u>	<u>\$ 7,957</u>

Note 8. OTHER

Deferred Development Costs

Web Site Development – epothecary	<u>\$ 42,410</u>	<u>-</u>
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**THE PHARMACY GUILD OF AUSTRALIA
(QUEENSLAND BRANCH)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004**

	2004	2003
	\$	\$
Note 9. PAYABLES		
Current		
Trade creditors	162,144	93,753
Subscriptions income in advance	1,377,100	-
Subscriptions received in advance	-	618,666
Sundry payments in advance:		
Course fees	47,643	27,550
Sponsorship	10,828	9,833
Conferences	-	5,500
Amounts payable to related entities		
Guild Insurance Limited	62,188	-
The National Secretariat	1,070	7,917
Pharmacy Guild of Australia NSW Branch	773	4,174
Accrued expenses	73,501	48,031
Sundry payables	55,379	20,255
	<u>\$ 1,790,626</u>	<u>\$ 835,679</u>

Note 10. INTEREST BEARING LIABILITIES

Current			
Bank Loan – Secured	10a	47,005	-
Lease liability	15	12,934	11,949
		<u>\$ 59,939</u>	<u>\$ 11,949</u>
Non-Current			
Bank Loan – Secured	10a	452,995	500,000
Lease liability	15	33,351	46,285
		<u>\$ 486,346</u>	<u>\$ 546,285</u>

a.) The bank loan is secured by:

- (i) First Registered Mortgage to Bendigo Bank over the property situated at 132 Leichardt Street, Spring Hill, QUEENSLAND 4000.
- (ii) Guarantee and Indemnity from Guild Properties Ltd, in the guarantor's own right as trustee of any trust of which the guarantor acts as trustee.
- (iii) Letter of Offer from The Pharmacy Guild of Australia.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004**

	2004	2003
	\$	\$
Note 11. PROVISIONS		
Current		
Annual leave	68,253	49,582
Long service leave	52,488	46,829
	<u>120,741</u>	<u>96,411</u>
Non-Current		
Long service leave	14,563	26,820
	<u>14,563</u>	<u>26,820</u>
Aggregate employee entitlement liabilities	\$ 135,304	\$ 123,231
	<u>135,304</u>	<u>123,231</u>
Number of employees at year end	24	14
	<u>24</u>	<u>14</u>
Note 12. RESERVES		
Asset revaluation reserve	\$ 4,615	\$ 4,615
	<u>4,615</u>	<u>4,615</u>
Note 13. RETAINED PROFITS		
Retained profits at the beginning of the financial year	1,575,403	1,328,494
Net profit attributable to the members of the entity	85,188	246,909
	<u>1,660,592</u>	<u>1,575,403</u>
Retained profits at the end of the financial year	\$1,660,592	\$1,575,403
	<u>\$1,660,592</u>	<u>\$1,575,403</u>

Note 14. SEGMENTAL REPORTING

The Queensland Branch of the Pharmacy Guild of Australia provides services to pharmacists predominantly in Queensland.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004**

	2004 \$	2003 \$
Note 15. CAPITAL AND LEASING COMMITMENTS		
(a) Finance lease commitments		
Payable - not later than one year	16,226	16,149
- later than one year but not later than 5 years	36,182	54,346
	<hr/>	<hr/>
Minimum lease payments	52,408	70,495
Less future finance charges	6,123	12,261
	<hr/>	<hr/>
Total lease liability	<u>\$ 46,285</u>	<u>58,234</u>
Represented by:		
Current liability	12,934	11,949
Non-current liability	33,351	46,285
	<hr/>	<hr/>
	<u>\$ 46,285</u>	<u>58,234</u>

The finance liabilities relate to 3 leased assets; a copier, printer and scanner system, a telephone system and a motor vehicle that are all financed by Guild Insurance Limited with lease payments paid monthly in advance.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004**

Note 16. FINANCIAL INSTRUMENTS

(a) Interest Rate Risk

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

	Weighted Average effective interest rate %		Floating interest rate		Fixed Interest Rate maturing			
			\$	\$	Within 1 Year		1 to 5 years	
	2004	2003	2004	2003	\$	\$	\$	\$
Financial assets								
Cash at bank	4.82	4.188	1,434,486	1,134,532	-	-	-	-
Cash			200	120				
Total financial assets			1,434,686	1,134,652				
Financial liabilities								
Loan	7.5	7.5	-	-	47,005	-	452,995	500,000
Finance Lease Liabilities	7.5	7.5	-	-	12,934	11,949	33,351	46,285
Total financial liabilities					59,939	11,949	486,346	546,285

(b) Credit Risk

The maximum exposure to credit risk to recognised financial assets at balance date, excluding the value of any collateral or other security, is the varying amount of those assets, net of any provision for doubtful debts, as disclosed in the Statement of Financial Position and Notes to the Financial Statements.

The economic entity does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the economic entity.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004**

Note 16. FINANCIAL INSTRUMENTS (Cont)

(c) Net Fair Values

For other assets and other liabilities, the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form. Financial assets, where the carrying amount exceeds net fair values, have not been written down as the economic entity intends to hold these assets to maturity.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the Statement of Financial Position and in the Notes to the Financial Statements.

Note 17. RELATED PARTY DISCLOSURES

(a) The following persons were members of the Branch Committee during the financial year:

N Anderson	N Loukas
M Bou-Samra	K Peachey
M Farrell	K Sclavos
S Holzberger	R Tomarchio (from 13 May 04)
B King (to 12 May 04)	R Xynias
T Logan	G Yeates
	J Yim

Some committee members received reimbursement of expenditure incurred on branch business.

During the year payments were paid as remuneration to:

A company associated with Mr K Sclavos was paid the amount of \$ 135,000 (2003 - \$28,250) being for his Guild work, including his duties as Branch President and \$24,000 fees associated with Events Management.

No amounts have been paid to committee members on retirement from office, nor to prescribed superannuation funds for the provision of retirement benefits.

(b) The ultimate controlling entity of the Pharmacy Guild of Australia (Queensland Branch) is the Pharmacy Guild of Australia.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004**

	2004	2003
	\$	\$
Note 18. CASH FLOW INFORMATION		
(a) Reconciliation of Cash		
Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:-		
Cash at bank	1,434,486	1,134,532
Cash on hand	200	120
	<u>1,434,686</u>	<u>1,134,652</u>
	\$ 1,434,686	\$ 1,134,652
(b) Reconciliation of Net Cash Provided by Operating Activities to Operating Profit after Income Tax		
Operating profit after income tax	85,188	246,909
Non-cash flows in operating profit:		
Amortisation - leasehold premises	12,417	10,091
Depreciation	96,424	80,458
Loss/(Gain) on sale of assets	-	2,196
Changes in Assets and Liabilities:		
Increase/(decrease) in creditors and accruals	967,762	44,494
Increase/(decrease) in provisions	12,073	(10,141)
(Increase)/decrease in debtors & prepayments	(708,170)	(19,723)
	<u>\$ 465,694</u>	<u>\$ 354,284</u>

19. ENTITY DETAILS

The registered office of the entity is:

The Pharmacy Guild of Australia
Queensland Branch
132 Leichhardt Street
SPRING HILL QLD 4004

**PHARMACY GUILD OF AUSTRALIA
(QUEENSLAND BRANCH)**

COMMITTEE OF MANAGEMENT STATEMENT

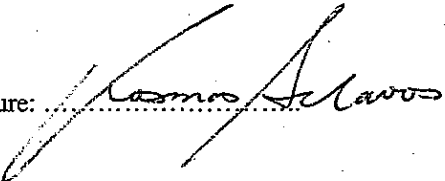
On 12th August 2004 the Committee of Management of The Pharmacy Guild of Australia Queensland Branch passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30 June 2004:

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 Queensland Branch for the financial year to 30 June 2004;
- (d) there are reasonable grounds to believe that The Pharmacy Guild of Australia Queensland Branch will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the committee of management were held in accordance with the rules of the organisation; and
 - (ii) the financial affairs of The Pharmacy Guild of Australia Queensland Branch have been managed in accordance with the rules of the organisation; and
 - (iii) the financial records of The Pharmacy Guild of Australia Queensland Branch have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
 - (iv) the organisation consists of one reporting unit; and
 - (v) the information sought in any request of a member of The Pharmacy Guild of Australia Queensland 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: KOSMAS STAN SCLAVOS

Title of Office Held: BRANCH PRESIDENT

Signature: 

BRISBANE

Date: 19 August 2004

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

Scope

The financial report and committee of management's responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, the operating report and the committee of management's statement for the Pharmacy Guild of Australia (Queensland Branch) (the entity), for the year ended 30 June 2004.

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

Audit approach

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

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

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

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

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

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

Independence


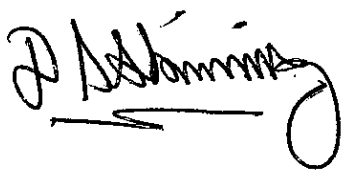
In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

Audit opinion

In our opinion, the financial report of the Pharmacy Guild of Australia (Queensland Branch) is in accordance with:

- (a) the Workplace Relations Act 1996, including:
 - (i) giving a true and fair view of the financial position of the Pharmacy Guild of Australia (Queensland Branch) as at 30 June 2004 and of its performance for the year ended on that date; and
 - (ii) complying with Accounting Standards in Australia and any other requirements imposed by schedule 1B chapter 8, Part 3 of the Workplace relations Act 1996; and
- (b) other mandatory financial reporting requirements in Australia.

GRANT THORNTON
Chartered Accountants

D S SKIRVING
Partner
Registered Company Auditor
Brisbane

19 August 2004