FAIR WORK AUSTRALIA

3 December 2009

Mr Timothy Logan
Branch President
The Pharmacy Guild of Australia - Queensland Branch
By email: guild.qld@guild.org.au

Cc: Mr Simon Hancox
Director - Audit and Assurance Services
Grant Thornton Audit Pty Ltd
By email: info.qld@grantthornton.com.au

Dear Mr Logan,

Re: Financial Report for the year ended 30 June 2009 - FR2009/278 - the Pharmacy Guild of Australia, Queensland Branch

I acknowledge receipt of the financial report of the Queensland Branch of the Pharmacy Guild of Australia for the year ended 30 June 2009. The documents were lodged with Fair Work Australia on 28 October 2009. Further information was lodged on 27 November 2009.

The financial report has now been filed.

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

1. Designated Officer's Certificate

The Designated Officer's Certificate refers to Schedule 1B of the *Workplace Relations Act 1996*. For any actions prior to 1 July 2009 such references should be to Schedule 1 of the *Workplace Relations Act 1996*. For any actions on or after 1 July 2009 such references should be to the *Fair Work (Registered Organisations) Act 2009*. In future years please ensure that statements refer to the correct legislation.

2. Auditor's Qualifications

Regulation 4 of the *Fair Work (Registered Organisations) Regulations 2009* defines an approved auditor as a person who is a member of CPA Australia, The Institute of Chartered Accountants in Australia or the National Institute of Accountants, and holds a current Public Practice Certificate. In all likelihood the auditor is such a person however it is our preference that this is made explicit in future auditor's reports.

3. Required Information in Operating Report

Section 254(2)(d) of the *Fair Work (Registered Organisations) Act 2009* (the RO Act) requires that an operating report give details (including of any position held) of any *officer or member* of the reporting unit who is a trustee, or a director of a company that is a trustee, of a superannuation entity or an exempt public sector superannuation scheme. I note that the operating report does not address this requirement.

If no officer or member of the reporting unit is a trustee of a superannuation entity, there should be a statement in the operating report to make this explicit. The preferred wording is:

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

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4. Disclosures in Income Statement or Notes

Expenses for employee and office holder benefits

The Reporting Guidelines require reporting units to disclose in the income statement or in the notes employee benefits to holders of office (item 11(g)) and employee benefits to other employees (item 11(h)). I note that the income statement does not distinguish between employee benefits for office holders and other employees. Employee benefits for office holders and other employees should be separately disclosed.

The Reporting Guidelines also require that either the balance sheet or the notes disclose any liability for employee benefits in respect of office holders and other employees (items 14(c) and 14 (d)). Note 18 discloses these liabilities but does not distinguish between provisions for office holders and other employees. Provisions for office holders and other employees should be separately disclosed.

Meeting allowances

Reporting Guideline 11(i) requires separate disclosure of "fees or allowances… to persons in respect of their attendances as representatives of the reporting unit at conferences or other meetings". Note 4 to the report discloses meeting expenses. Any allowances, if applicable, should be separately disclosed.

Material items must be presented separately

AASB 101(29) requires material items to be presented separately. Note 3 to the financial statements reports $2,415,639 as sales revenue, which is a material amount. In future years please ensure that any material items of revenue are separately disclosed.

5. Cash Flows between Reporting Units in Statement of Cash Flow or Notes

Reporting Guideline 15 states that "where another reporting unit of the organisation is the source of cash flow, such cash flow should be separately disclosed in the notes to the financial statements and show the name of the other reporting unit concerned". In future years please ensure that cash flows between reporting units are disclosed either in the cash flow statement or the notes to the cash flow statement.

6. Statement of Changes in Equity

Reporting Guideline 14 requires that a statement of changes in equity disclose the "name and balance of each fund or account operated in respect of compulsory levies raised by the reporting unit or voluntary contributions collected from members of the reporting unit". Notes 3 and 4 disclose income and expenditure on the National Secretariat Fighting Fund. If this fund operates in respect of compulsory levies raised or voluntary contributions, the balance should be disclosed separately in the statement of changes in equity.

Please bring these details to your auditor's attention to ensure that these matters are addressed in the future preparation of your financial reports. A copy of this letter will be forwarded to your auditor.

Please call on 03 8661 7882 if you have any queries or wish to discuss the matter further.

Yours sincerely,

Rebecca Lee
Tribunal Services and Organisations
Fair Work Australia
Tel: 03 8661 7882
Email: rebecca.lee@fwa.gov.au

The Pharmacy Guild of Australia

27 November 2009

Rebecca Lee
Tribunal Services and Organisations
Fair Work Australia
11 Exhibition Street
MELBOURNE Victoria 3000
By email: Rebecca.lee@fwa.gov.au

Cc: Mr Simon Hancox
Director – Audit and Assurance Services
Grant Thornton Audit Pty Ltd
By email: info.qld@grantthornton.com.au

The Pharmacy Guild of Australia Queensland Branch
Financial Report for the year ended 30 June 2009 – FR2009/278
Response to your letter dated 11 November 2009

Dear Rebecca

In response to your letter of 11 November 2009, the full report that was provided to members contained a general purpose financial report including a balance sheet. Our original email to you dated 28 October 2009 lodging our documents contained an incorrect copy of our Annual Report. Please find attached a link to the original document provided to members on the 28th September 2009.

I apologise for the error in our original lodgement and please accept this re-attached document for lodgement and filing. I believe this re-attached document satisfies all matters raised in your letter.

Yours sincerely,

S. L

Stan Lysiuk
Accountant

In absence of Tim Logan, Branch President

Queensland Branch A.B.N. 87 076 197 623
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The Pharmacy Guild of Australia

Designated Officer's Certificate

s268 of Schedule 1B Workplace Relations Act

I, Timothy John Logan, 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 28th September 2009; and
- that the full report was presented to a general meeting of members of the reporting unit on 20th October 2009; in accordance with section 266 of the RAO Schedule.

Signature: ....

Date: 28 October 2009

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THE PHARMACY GUILD OF AUSTRALIA (QUEENSLAND BRANCH) AND CONTROLLED ENTITIES
OPERATING REPORT

I, TIMOTHY JOHN LOGAN, being the designated officer responsible for preparing this report for the financial year ended 30 June 2009 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) and Rule 36 of the Constitution of the Guild, 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; and

(iii) Section 272 of the RAO outlines members and the registrar's rights to certain prescribed information. This information is detailed in Note 2 of the financial statements.

(d) Prescribed and other Information:

(i) As at 30 June 2009, to which this report relates, the number of members of the organisation was 705 including Honorary Life Members;

(ii) As at 30 June 2009, the total number of employees employed by the reporting entity was 45.

(iii) The persons who have been members of the committee of management of The Pharmacy Guild of Australia (Queensland Branch) during the reporting period are:

Branch Executive

M Farrell	K Peachey (to 23/9/08)
T Logan	K Sclavos
S Holzberger	R Xynias

Branch Committee

M Bou-Samra (to 23/9/08)	N Loukas (to 23/9/08)
M Browne (to 23/9/08)	M McLoughlin
M Calanna (from 23/9/08)	D Nieling
M Farrell	K Peachey (to 23/9/08)
G Fotinos (from 23/9/08)	K Sclavos
D Holmes (from 23/9/08)	R Tomarchio (to 23/9/08)
S Holzberger	R Xynias
T Logan	

(e) 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).

………………………………
TIMOTHY JOHN LOGAN

Date: 24 September 2009

THE PHARMACY GUILD OF AUSTRALIA (QUEENSLAND BRANCH) AND CONTROLLED ENTITIES
INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2009
All amounts shown have been rounded to the nearest dollar unless otherwise indicated.

	Note	Consolidated Group		Parent Entity	
		2009	2008	2009	2008
		$	$	$	$
Revenue	3	8,064,000	6,987,293	7,128,349	6,583,284
Employee benefits expense		(2,570,800)	(2,210,777)	(2,570,800)	(2,210,777)
Depreciation and amortisation expense		(254,847)	(154,843)	(144,148)	(144,593)
Finance costs	4(a)	(304,692)	(89,782)	(304,692)	(89,782)
Other expenses	4(a)	(4,377,368)	(3,712,915)	(3,817,937)	(3,633,836)
Profit before income tax	4	556,293	818,976	290,772	504,296
Income tax expense	5	(125,157)	(97,480)	-	-
Profit attributable to members of the parent entity		431,136	721,496	290,772	504,296

The accompanying notes form part of these financial statements

THE PHARMACY GUILD OF AUSTRALIA (QUEENSLAND BRANCH) AND CONTROLLED ENTITIES
BALANCE SHEET AS AT 30 JUNE 2009
All amounts shown have been rounded to the nearest dollar unless otherwise indicated.

	Note	Consolidated Group		Parent Entity	
		2009	2008	2009	2008
		$	$	$	$
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	8	3,001,301	2,157,931	2,555,792	1,618,525
Trade and other receivables	9	1,500,829	1,529,631	1,586,769	1,383,158
Other current assets	10	402,115	134,070	262,623	128,850
TOTAL CURRENT ASSET		4,904,245	3,821,632	4,405,184	3,130,533
NON-CURRENT ASSETS					
Trade and other receivables	9	-	-	-	446,338
Other financial assets	11	-	-	6,098,624	1,350,100
Property, plant and equipment	13	6,550,493	4,229,175	624,127	2,940,634
Deferred tax assets	17	20,811	66,590	-	-
Intangible assets	14	778,045	554,958	778,045	554,958
TOTAL NON-CURRENT ASSET		7,349,349	4,850,723	7,500,796	5,292,030
TOTAL ASSETS		12,253,594	8,672,355	11,905,980	8,422,563
CURRENT LIABILITIES					
Trade and other payables	15	3,578,342	2,805,254	3,636,130	2,803,981
Borrowings	16	-	-	-	-
Current tax liabilities	17	126,905	113,469	-	-
Short-term provisions	18	298,247	200,927	298,247	200,927
TOTAL CURRENT LIABILITIES		4,003,494	3,119,650	3,934,377	3,004,908
NON-CURRENT LIABILITIES					
Borrowings	16	4,997,000	2,629,215	4,997,000	2,629,215
Deferred tax liabilities	17	29,222	26,138	-	-
Long-term provisions	18	39,888	144,498	39,888	144,497
TOTAL NON-CURRENT LIABILITIES		5,066,110	2,799,851	5,036,888	2,773,712
TOTAL LIABILITIES		9,069,604	5,919,501	8,971,265	5,778,620
NET ASSETS		3,183,990	2,752,854	2,934,715	2,643,943
EQUITY					
Reserves	19	4,615	4,615	4,615	4,615
Retained earnings		3,179,375	2,748,239	2,930,100	2,639,328
TOTAL EQUITY		3,183,990	2,752,854	2,934,715	2,643,943

The accompanying notes form part of these financial statements

THE PHARMACY GUILD OF AUSTRALIA (QUEENSLAND BRANCH) AND CONTROLLED ENTITIES
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2009
All amounts shown have been rounded to the nearest dollar unless otherwise indicated.

Consolidated Group

	Retained Earnings $	Asset Revaluation Reserve $	Total $
Balance at 1 July 2007	2,026,743	4,615	2,031,358
Profit attributable to members of parent entity	721,496	-	721,496
Balance at 30 June 2008	2,748,239	4,615	2,752,854
Profit attributable to members of parent entity	431,136	-	431,136
Balance at 30June 2009	3,179,375	4,615	3,183,990

Parent Entity

	Retained Earnings $	Asset Revaluation Reserve $	Total $
Balance at 1 July 2007	2,135,032	4,615	2,139,647
Profit attributable to members of parent entity	504,296	-	504,296
Balance at 30 June 2008	2,639,328	4,615	2,643,943
Profit attributable to members of parent entity	290,772	-	290,772
Balance at 30 June 2009	2,930,100	4,615	2,934,715

The accompanying notes form part of these financial statements

THE PHARMACY GUILD OF AUSTRALIA (QUEENSLAND BRANCH) AND CONTROLLED ENTITIES
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2009
All amounts shown have been rounded to the nearest dollar unless otherwise indicated.

	Note	Consolidated Group 2009 $	Consolidated Group 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from members and customers		9,097,266	7,185,184	8,160,480	6,478,26
Payments to suppliers and employees		(7,594,220)	(5,661,031)	(6,605,882)	(5,477,5
Interest received		108,153	130,409	87,640	114,532
Finance costs		(304,692)	(89,782)	(304,692)	(89,782)
Income tax paid		(62,858)	-	-	-
Net cash provided by operating activities	22(a)	1,243,649	1,564,780	1,337,546	1,025,42
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sale of property, plant and equipment		97,733	8,483	4,846,257	8,483
Purchase of available-for-sale investments		-	-	(4,748,524)	-
Purchase of property, plant and equipment		(2,642,711)	(2,415,695)	(2,642,711)	(2,415,6
Payments for deferred development costs		(223,086)	(279,176)	(223,086)	(279,176
Net cash used in investing activities		(2,768,064)	(2,686,388)	(2,768,064)	(2,686,3
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from borrowings		2,367,785	2,274,128	2,367,785	2,274,12
Net cash provided by financing activities		2,367,785	2,274,128	2,367,785	2,274,12
Net increase in cash held		843,370	1,152,520	937,267	613,165
Cash at beginning of financial year		2,157,931	1,005,411	1,618,525	1,005,36
Cash at end of financial year	8	3,001,301	2,157,931	2,555,792	1,618,52

The accompanying notes form part of these financial statements

This financial report includes the consolidated financial statements and notes of The Pharmacy Guild of Australia (Queensland Branch) and controlled entities ('Consolidated Group' or 'Group'), and the separate financial statements and notes of The Pharmacy Guild of Australia (Queensland Branch) as an individual parent entity ('Parent Entity'). The Pharmacy Guild of Australia (Queensland Branch) is an unincorporated organisation.

Note 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

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

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(a) Principles of Consolidation

A controlled entity is any entity over which The Pharmacy Guild of Australia (Queensland Branch) has the power to govern the financial and operating policies so as to obtain benefits from its activities. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are considered.

A list of controlled entities is contained in Note 12 to the financial statements.

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended.

All inter-group balances and transactions between entities in the consolidated group, including any unrealised profits or losses, have been eliminated on consolidation.

(b) Income Tax

Parent entity

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

Controlled entities

The income tax expense for the year comprises current income tax expense and deferred tax expense.

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities are therefore measured at the amounts expected to be paid to the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Current and deferred income tax expense is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Note 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Deferred tax assets and liabilities are ascertained based on temporary difference arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

(c) Property, Plant and Equipment

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

Depreciation

The depreciable amount of all fixed assets including building, but excluding freehold land, is depreciated on a straight line basis over the asset's useful life to the consolidated group commencing from the time the asset is held ready for use. The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	*Depreciation Rate*
Buildings	2.5%
Plant and equipment	5-40%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement.

(d) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Finance instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as: (i) the amount at which the financial asset or financial liability is measured at initial recognition; (ii) less principal repayments; (iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated, using the *effective interest method*; and (iv) less any reduction for impairment.

Note 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transactions costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

(i) *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 subsequently measured at amortised cost.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity is no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.

(e) Impairment of Assets

At each reporting date, the Group reviews the carrying values of its tangible and intangible 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.

Impairment testing is performed annually for intangible assets with indefinite lives.

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.

(f) Intangibles

Research and development

Costs are incurred on internally developed computer software.

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably.

Development costs (including any associated patents and trademarks) have an infinite life and are tested annually for impairment and carried at cost.

(g) Employee Benefits

Provision is made for the company'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. 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. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

(h) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and deposits held at call with banks.

Note 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(i) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at reporting date and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

All revenue is stated net of the amount of goods and services tax (GST).

(j) Borrowing Costs

All borrowing costs are recognised in income in the period in which they are incurred.

(k) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax 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.

(l) Grants

Government and other 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 relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. It is the policy of the entity to treat grant monies as unexpended grants in the balance sheet where the entity is contractually obliged to provide the services in a subsequent financial period to when the grant is received or in the case of specific project grants where the project has not been completed.

(m) Comparative Figures

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

(n) Critical Accounting Estimates and Judgements

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

Note 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(o) New Accounting Standards for Application in future Periods

The AASB has issued new, revised and amended standards and interpretations that have mandatory application dates for future reporting periods. The Group has decided against early adoption of these standards. A discussion of those future requirements and their impact on the Group follows:

- AASB 3: Business Combinations, AASB 127: Consolidated and Separate Financial Statements, AASB 2008-3: Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127 [AASBs 1,2,4,5,7,101,107, 112, 114, 116, 121, 128, 131, 132, 133, 134, 136, 137, 138 & 139 and Interpretations 9 & 107] (applicable for annual reporting periods commencing from 1 July 2009) and AASB 2008-7: Amendments to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate [AASB 1, AASB 118, AASB 121, AASB 127 & AASB 136] (applicable for annual reporting periods commencing from 1 January 2009). These standards are applicable prospectively and so will only affect relevant transactions and consolidations occurring from the date of application. In this regard, its impact on the Group will be unable to be determined. The following changes to accounting requirements are included:
  - acquisition costs incurred in a business combination will no longer be recognised in goodwill but will be expensed unless the cost relates to issuing debt or equity securities;
  - contingent consideration will be measured at fair value at the acquisition date and may only be provisionally accounted for during a period of 12 months after acquisition;
  - a gain or loss of control will require the previous ownership interests to be remeasured to their fair value;
  - there shall be no gain or loss from transactions affecting a parent's ownership interest of a subsidiary with all transactions required to be accounted for through equity (this will not represent a change to the Group's policy);
  - dividends declared out of pre-acquisition profits will not be deducted from the cost of an investment but will be recognised as income;
  - impairment of investments in subsidiaries, joint ventures and associates shall be considered when a dividend is paid by the respective investee; and
  - where there is, in substance, no change to Group interests, parent entities inserted above existing Group shall measure the cost of its investments at the carrying amount of its share of the equity items shown in the balance sheet of the original parent at the date of reorganisation.

  The Group will need to determine whether to maintain its present accounting policy of calculating goodwill acquired based on the parent entity's share of net assets acquired or change its policy so goodwill recognised also reflects that of the non-controlling interest.
- AASB 8: Operating Segments and AASB 2007-3: Amendments to Australian Accounting Standards arising from AASB 8 [AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 & AASB 1038] (applicable for annual reporting periods commencing from 1 January 2009). AASB 8 replaces AASB 114 and requires identification of operating segments on the basis of internal reports that are regularly reviewed by the Group's Board for the purposes of decision making. While the impact of this standard cannot be assessed at this stage, there is the potential for more segments to be identified. Given the lower economic levels at which segments may be defined, and the fact that cash generating units cannot be bigger than operating segments, impairment calculations may be affected. Management does not presently believe impairment will result however.

THE PHARMACY GUILD OF AUSTRALIA (QUEENSLAND BRANCH) AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

Note 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

- AASB 101: Presentation of Financial Statements, AASB 2007-8: Amendments to Australian Accounting Standards arising from AASB 101, and AASB 2007-10: Further Amendments to Australian Accounting Standards arising from AASB 101 (all applicable to annual reporting periods commencing from 1 January 2009). The revised AASB 101 and amendments supersede the previous AASB 101 and redefines the composition of financial statements including the inclusion of a statement of comprehensive income. There will be no measurement or recognition impact on the Group. If an entity has made a prior period adjustment or reclassification, a third balance sheet as at the beginning of the comparative period will be required.
- AASB 123: Borrowing Costs and AASB 2007-6: Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12] (applicable for annual reporting periods commencing from 1 January 2009). The revised AASB 123 has removed the option to expense all borrowing costs and will therefore require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. Management has determined that there will be no effect on the Group as a policy of capitalising qualifying borrowing costs has been maintained by the Group.
- AASB 2008-1: Amendments to Australian Accounting Standard – Share-based Payments: Vesting Conditions and Cancellations [AASB 2] (applicable for annual reporting periods commencing from 1 January 2009). This amendment to AASB 2 clarifies that vesting conditions consist of service and performance conditions only. Other elements of a share-based payment transaction should therefore be considered for the purposes of determining fair value. Cancellations are also required to be treated in the same manner whether cancelled by the entity or by another party.
- AASB 2008-2: Amendments to Australian Accounting Standards – Puttable Financial Instruments and Obligations Arising on Liquidation [AASB 7, AASB 101, AASB 132 & AASB 139 & Interpretation 2] (applicable for annual reporting periods commencing from 1 January 2009). These amendments introduce an exception to the definition of a financial liability to classify as equity instruments certain puttable financial instruments and certain other financial instruments that impose an obligation to deliver a pro-rata share of net assets only upon liquidation.
- AASB 2008-5: Amendments to Australian Accounting Standards arising from the Annual Improvements Project (July 2008) (AASB 2008-5) and AASB 2008-6: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (July 2008) (AASB 2008-6) detail numerous non-urgent but necessary changes to accounting standards arising from the IASB's annual improvements project. No changes are expected to materially affect the Group.
- AASB 2008-8: Amendments to Australian Accounting Standards – Eligible Hedged Items [AASB 139] (applicable for annual reporting periods commencing from 1 July 2009). This amendment clarifies how the principles that determine whether a hedged risk or portion of cash flows is eligible for designation as a hedged item should be applied in particular situations and is not expected to materially affect the Group.
- AASB 2008-13: Amendments to Australian Accounting Standards arising from AASB Interpretation 17 – Distributions of Non-cash Assets to Owners [AASB 5 & AASB 110] (applicable for annual reporting periods commencing from 1 July 2009). This amendment requires that non-current assets held for distribution to owners to be measured at the lower of carrying value and fair value less costs to distribute.

Note 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

- AASB Interpretation 15: Agreements for the Construction of Real Estate (applicable for annual reporting periods commencing from 1 January 2009). Under the interpretation, agreements for the construction of real estate shall be accounted for in accordance with AASB 111 where the agreement meets the definition of 'construction contract' per AASB 111 and when the significant risks and rewards of ownership of the work in progress transfer to the buyer continuously as construction progresses. Where the recognition requirements in relation to construction are satisfied but the agreement does not meet the definition of 'construction contract', revenue is to be accounted for in accordance with AASB 118. Management does not believe that this will represent a change of policy to the Group.
- AASB Interpretation 16: Hedges of a Net Investment in a Foreign Operation (applicable for annual reporting periods commencing from 1 October 2008). Interpretation 16 applies to entities that hedge foreign currency risk arising from net investments in foreign operations and that want to adopt hedge accounting. The interpretation provides clarifying guidance on several issues in accounting for the hedge of a net investment in a foreign operation and is not expected to impact the Group.
- AASB Interpretation 17: Distributions of Non-cash Assets to Owners (applicable for annual reporting periods commencing from 1 July 2009). This guidance applies prospectively only and clarifies that non-cash dividends payable should be measured at the fair value of the net assets to be distributed where the difference between the fair value and carrying value of the assets is recognised in profit or loss.

The Group does not anticipate early adoption of any of the above reporting requirements and does not expect these requirements to have any material effect on the Group's financial statements.

Note 2. INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

In accordance with the requirements of the Workplace Relations Act 1996, the attention of members is drawn to the provisions of subsections (1), (2) and (3) of section 272 of Schedule 1B – Registration and Accountability of Organisations which read as follows:

(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.

(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.

(3) A reporting unit must comply with an application made under subsection (1)."

All amounts shown have been rounded to the nearest dollar unless otherwise indicated.

Note 3. REVENUE

	Note	Consolidated Group 2009 $	Consolidated Group 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Administration costs recovered		-	366,909	-	366,909
Commissions received		454,595	449,099	454,595	449,099
Commonwealth Government project funding		162,556	197,587	162,556	197,587
Distributions received	3(b)	-	-	6,638	50,871
Interest received	3(a)	108,153	130,409	87,640	114,532
Other grant income		11,093	88,097	-	-
Member Subscriptions		1,183,252	1,051,724	1,183,252	1,051,724
National Secretariat Fighting Fund		259,600	248,390	259,600	248,390
National Secretariat project funding		1,809,245	924,088	513,470	363,888
Queensland Health project funding		106,359	142,523	106,359	142,523
Sales revenue		2,415,639	1,947,914	2,800,731	2,157,208
Training course fees		1,553,508	1,440,553	1,553,508	1,440,553
Total Revenue		8,064,000	6,987,293	7,128,349	6,583,284
(a) Interest revenue from:					
- other persons		108,153	130,409	87,640	114,532
Total interest revenue		108,153	130,409	87,640	114,532
(b) Distributions revenue from:					
- controlled entity: The Guild Properties (Queensland) Unit Trust		-	-	6,638	50,871
Total distribution revenue		-	-	6,638	50,871

Note 4. PROFIT BEFORE INCOME TAX

	Note	Consolidated Group 2009 $	Consolidated Group 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
(a) Expenses					
Finance costs:					
- external		304,692	89,782	304,692	89,782
Total finance costs		304,692	89,782	304,692	89,782

Note 4. PROFIT BEFORE INCOME TAX (cont'd)

	Note	Consolidated Group		Parent Entity	
		2009	**2008**	**2009**	**2008**
		$	**$**	**$**	**$**
Other expenses:					
Administration fees		-	358,212	-	367,506
Advertising and promotions expenses		76,781	55,587	67,345	55,587
Bank and card charges		49,330	41,956	49,330	41,956
Branch committee expenses		9,010	13,826	9,010	13,826
Cleaning expenses		33,276	25,073	33,276	25,073
Computer costs		162,570	126,579	127,165	121,276
Conference and seminar expenses		22,743	37,056	22,743	37,056
Consultancy expenses - other		289,708	150,899	21,879	58,218
Contract Staff		125,921	123,885	131,415	123,885
Dispatch expenses		91,883	88,043	91,334	88,043
Donations		4,878	25,980	4,878	25,980
Events Expenses					
- Catering & Dinner		599,067	422,224	599,067	422,224
- Commissions Paid		52,320	38,898	52,320	38,898
- Conference program expenses		310,379	251,710	319,225	251,710
- Display & Venue expenses		185,623	117,387	158,520	117,387
Impairment expense		-	37,984	-	37,984
Insurance expenses		75,691	46,695	25,758	43,136
Legal costs		55,516	64,441	20,527	64,441
Meals expenses		83,810	38,567	61,464	38,567
Meeting expenses – AGM		7,883	7,610	7,883	7,610
Motor Vehicle expenses		65,243	43,732	61,099	43,732
National Secretariat dues expense		588,558	521,220	588,558	521,220
National Secretariat Fighting Fund		259,600	248,390	259,600	248,390
Printing and stationery - other		210,084	136,356	187,898	136,356
Power and light		24,171	20,619	24,171	20,619
Professional Fees inc Audit		40,571	32,114	33,207	27,023
Purchases – Merchandise		32,937	65,210	32,937	65,210
Queensland Health Project materials		967	-	967	-
Rates		27,165	31,160	-	3,096
Rent		11,250	45,000	104,596	138,346
Repairs and maintenance		32,813	15,108	26,462	9,222
Security expenses		8,417	7,539	8,417	7,539
Sponsorship		27,548	26,395	26,757	26,395
Staff Procurement		20,343	4,197	20,343	4,197
Subscriptions		20,902	14,599	20,902	14,599
Telephone & internet expenses		90,202	69,482	87,353	69,482
Travelling and fares expenses		275,963	166,625	193,934	148,016
Sundry expenses		404,245	192,557	337,597	170,031
Total other expenses		4,377,368	3,712,915	3,817,937	3,633,836

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All amounts shown have been rounded to the nearest dollar unless otherwise indicated.

Note 4. PROFIT BEFORE INCOME TAX (cont'd)

	Note	Consolidated Group		Parent Entity	
		2009	**2008**	**2009**	**2008**
		$	**$**	**$**	**$**
Bad and doubtful debts:					
- trade receivables		-	-	-	-
Total bad and doubtful debts		-	-	-	-
Net loss on disposal of plant, property and equipment		6,796	908	6,796	908
Defined contribution plan - superannuation expense		204,883	176,155	204,883	176,155

(b) Significant Revenue and Expenses

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

Liquidated damages revenue on Building construction	86,468	-	86,468	-
Demolition work	(44,099)	-	(44,099)	-
Impairment expense	-	(37,984)	-	(37,984)

Note 5. INCOME TAX EXPENSE

	Note	Consolidated Group		Parent Entity	
		2009	**2008**	**2009**	**2008**
		$	**$**	**$**	**$**
(a) The components of tax expense comprise:					
Current tax		126,905	97,480	-	-
Deferred tax	17	(1,748)	-	-	-
		125,157	97,480	-	-

Note 5. INCOME TAX EXPENSE (cont'd)

	Note	Consolidated Group 2009 $	Consolidated Group 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
(b) The prima facie tax on profit before income tax is reconciled to the income tax as follows:					
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2008: 30%)		166,888	245,693	87,232	151,289
Add:					
Tax effect of:					
- non-deductible expenses		12,291	-	-	-
Less:					
Tax effect of:					
- exempt income and expenses		54,022	148,213	87,232	151,289
Income tax expense attributable to entity		125,157	97,480	-	-
The applicable weighted average effective tax rates are as follows:		22%	12%	-	-

Note 6. KEY MANAGEMENT PERSONNEL COMPENSATION

	Short-term Benefits $	Post-employment Benefit $	Total $
2009			
Total compensation	297,308	34,863	332,171
2008			
Total compensation	285,073	32,981	318,054

Note 7. AUDITORS' REMUNERATION

	Note	Consolidated Group 2009 $	Consolidated Group 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Remuneration of the auditor of the parent entity for:					
- auditing or reviewing the financial report		37,050	32,840	32,110	28,320
- taxation services		4,216	2,100	2,410	1,500

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Note 8. CASH AND CASH EQUIVALENTS

	Note	Consolidated Group 2009 $	Consolidated Group 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Cash at bank and in hand	23	3,001,301	2,157,931	2,555,792	1,618,525

Reconciliation of cash

	Note	Consolidated Group 2009 $	Consolidated Group 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:					
Cash and cash equivalents		3,001,301	2,157,931	2,555,792	1,618,525

A floating charge over cash and cash equivalents has been provided for certain debts. Refer to Note 16 for further details.

Note 9. TRADE AND OTHER RECEIVABLES

	Note	Consolidated Group 2009 $	Consolidated Group 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
CURRENT					
Trade receivables		1,093,429	1,174,703	1,093,429	1,174,703
Provision for impairment of receivables	9a	-	-	-	-
		1,093,429	1,174,703	1,093,429	1,174,703
Accrued revenue		42,102	79,272	42,102	79,272
Sundry debtors		69,337	1,109	111,802	300
Government grant receivable		97,408	86,315	0	0
Amounts receivable from:					
- ultimate parent entity Pharmacy Guild of Australia		146,114	148,298	70,598	38,078
- controlled entity The Guild Properties (Queensland) Unit Trust		-	-	102,017	50,871
- controlled entity InnovationRX Pty Ltd		-	-	113,382	-
- other related parties of ultimate parent entity Pharmacy Guild of Australia Branches					
-SA Branch		-	105	-	105
-WA Branch		84	79	84	79
-VIC Branch		84	-	84	-
-NSW Branch		2842	70	2842	70
-TAS Branch		4,368	-	4,368	-
Guild Group		28,226	23,747	28,226	23,747
Gold Cross Products & Services Pty Ltd		16,835	15,933	16,835	15,933
		52,439	39,934	52,439	39,934
Total current trade and other receivables		1,500,829	1,529,631	1,586,769	1,383,158
NON-CURRENT					
Amounts receivable from: - controlled entity InnovationRX Pty Ltd		-	-	-	446,338
Total non-current trade and other receivables		-	-	-	446,338

Note 9. TRADE AND OTHER RECEIVABLES (cont'd)

a. Provision for impairment of receivables

Current trade receivables are non-interest bearing loans and generally on 30 days from end of month terms. A provision for impairment is recognised when there is objective evidence that an individual trade receivable is impaired. There are financial assets which are past due but not considered to be impaired.

Credit Risk

The group has no significant concentration of credit risk with respect to any single counter party or group of counter parties other than those receivables specifically provided for and mentioned within Note 9. The main source of credit risk to the group is considered to be the class of assets described as "trade and other receivables".

The following table details the group's trade and other receivables exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled, within the terms and conditions agreed between the group and the customer or counter party to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the group.

The balances of receivables that remain within the initial trade terms (as detailed in the table) are considered to be of high credit quality.

Consolidated Group	Gross amount $	Within initial trade terms $	Past due but not impaired Overdue 1 – 29 days $	Overdue 30 – 59 days $	amount 60 + days $
Trade receivables	1,093,429	238,949	777,999	23,229	53,252
Other receivables	407,400	407,033	-	262	105
Total	1,500,829	645,982	777,999	23,491	53,357

Parent Entity	Gross amount $	Within initial trade terms $	Past due but not impaired Overdue 1 – 29 days $	Overdue 30 – 59 days $	amount 60 + days $
Trade receivables	1,093,429	238,949	777,999	23,229	53,252
Other receivables	493,340	492,821	-	262	257
Total	1,586,769	731,770	777,999	23,491	53,509

Neither the group nor parent entity holds financial assets with terms that have been renegotiated, but which would otherwise be past due or impaired

Note 9. TRADE AND OTHER RECEIVABLES (cont'd)

	Note	Consolidated Group		Parent Entity	
		2009	2008	2009	2008
		$	$	$	$
b. Financial assets classified as loans and receivables					
Trade and other receivables					
- Total current		1,500,829	1,529,631	1,586,769	1,383,158
- Total non-current		-	-	-	446,338
Financial assets	23	1,500,829	1,529,631	1,586,769	1,829,496

c. Collateral pledged

A floating charge over cash and cash equivalents has been provided for certain debts. Refer to Note 16 for further details.

Note 10. OTHER ASSETS

	Note	Consolidated Group		Parent Entity	
		2009	2008	2009	2008
		$	$	$	$
CURRENT					
Prepayments - expense		402,115	134,070	262,623	128,850

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Note 11. OTHER FINANCIAL ASSETS

	Note	Consolidated Group		Parent Entity	
		2009	2008	2009	2008
		$	$	$	$
NON-CURRENT ASSETS					
Available-for-sale financial assets	11(a)	-	-	6,098,624	1,350,100
(a) Available-for-sale financial assets comprise:					
Unlisted investments, at cost - shares in controlled entity InnovationRX Pty Ltd		-	-	100	100
- units in controlled unit trust The Guild Properties (Queensland) Unit Trust		-	-	6,098,524	1,350,000
Total available-for-sale financial assets	23	-	-	6,098,624	1,350,100

Available-for-sale financial assets comprise of investments in the ordinary issued capital and unit shares of various entities. There are no fixed returns or fixed maturity date attached to these investments. No intention to dispose of any unlisted available-for-sale financial assets existed at 30 June 2009.

Note 12. CONTROLLED ENTITIES

(a) Controlled Entities Consolidated

	Country of Incorporation	Percentage Owned (%)	
		2009	2008
Parent Entity:			
The Pharmacy Guild of Australia (Queensland Branch)	n/a	-	-
Ultimate Parent Entity:			
Pharmacy Guild of Australia	n/a		
Controlled Entities of Parent Entity:			
InnovationRX Pty Ltd	Aust	100	100
The Guild Properties (Queensland) Unit Trust and its trustee Guildprop Pty Ltd	Aust	100	100

Note 13. PROPERTY, PLANT AND EQUIPMENT

	Consolidated Group		Parent Entity	
	2009	**2008**	**2009**	**2008**
	$	**$**	**$**	**$**
LAND AND BUILDINGS				
Freehold land at cost	940,000	940,000	-	-
Total Land	940,000	940,000	-	-
Buildings at cost	5,158,524	622,357	-	212,357
Accumulated depreciation	(172,158)	(230,091)	-	(168,632)
Provision for impairment	-	(20,981)	-	(20,981)
	4,986,366	371,285	-	22,744
Building under Construction at cost	-	2,552,009	-	2,552,009
Total Buildings	4,986,366	2,923,294	-	2,574,753
Total Land and buildings	5,926,366	3,863,294	-	2,574,753
PLANT AND EQUIPMENT				
Plant and equipment:				
At Revaluation	2,821	2,821	2,821	2,821
Accumulated depreciation	(2,821)	(2,821)	(2,821)	(2,821)
	-	-	-	-
At cost	1,047,221	938,975	1,047,221	938,975
Accumulated depreciation	(423,094)	(556,091)	(423,094)	(556,091)
Provision for impairment	-	(17,003)	-	(17,003)
	624,127	365,881	624,127	365,881
Total Plant and Equipment	624,127	365,881	624,127	365,881
Total Property, Plant and Equipment	6,550,493	4,229,175	624,127	2,940,634

Note 13. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Building under Construction at cost refers to costs of new building and refurbishment of existing building. Building commenced in October 2007 and was completed in various stages between October 2008 and June 2009.

Provision for Impairment represents the written down book value of assets located throughout existing buildings with no economic value (including assets being obsolete, scrapped, not being transferred into the new building, where there is no likelihood of resale).

(a) Movements in Carrying Amounts

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

Consolidated Group	Land $	Building $	Building under Construction $	Plant and Equipment $	Total $
Balance at 1 July 2007	940,000	422,000	-	499,045	1,861,045
Additions	-	-	2,240,483	175,212	2,415,695
Transfers to development cost	-	-	-	(156,874)	(156,874)
Transfers from prepayments	-	-	311,527		311,527
Disposals	-	-	-	(9,391)	(9,391)
Depreciation expense	-	(29,734)	-	(125,109)	(154,843)
Provision for impairment	-	(20,981)		(17,003)	(37,984)
Balance at 30 June 2008	940,000	371,285	2,552,010	365,880	4,229,175
Additions	-	-	2,179,548	463,163	2,642,711
Transfers	-	4,731,558	(4,731,558)		-
Disposals		(19,481)	-	(85,049)	(104,530)
Depreciation expense	-	(117,977)	-	(136,870)	(254,847)
Reversal of Provision for impairment	-	20,981	-	17,003	37,984
Balance at 30 June 2009	940,000	4,986,366	-	624,127	6,550,493

Note 14. INTANGIBLE ASSETS

	Consolidated Group		Parent Entity	
	2009	**2008**	**2009**	**2008**
	$	**$**	**$**	**$**
Development costs	778,045	554,958	778,045	554,958
Reconciliation of development costs				
Balance at beginning of year	554,958	118,909554,958		118,909
Cost of developments	223,087	279,175223,087		279,175
Transferred from property, plant and equipment	-	156,874	-	156,874
Closing balance at 30June 2009	778,045	554,958	778,045	554,958

Note 15. TRADE AND OTHER PAYABLES

	Note	Consolidated Group 2009 $	Consolidated Group 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
CURRENT					
Unsecured Liabilities					
Trade payables		348,561	126,274	348,561	126,275
Sundry payables		82,297	152,036	120,077	152,307
Accrued expenses		162,231	108,607	110,763	95,191
Income in advance – member subscriptions		1,583,460	1,454,560	1,583,460	1,454,560
Income in advance – unexpended funds/grant		469,761	272,767	469,761	272,767
Income in advance – other		931,080	456,187	899,875	406,187
Amounts payable to:					
- ultimate parent entity Pharmacy Guild of Australia		952	234,823	952	234,823
- controlled entities InnovationRX Pty Ltd		-	-	-	11,000
The Guild Properties (Queensland) Unit Trust		-	-	102,681	50,871
	15(a)	3,578,342	2,805,255	3,636,130	2,803,981

a. Financial liabilities at amortised cost classified as trade and other payables

	Note	Consolidated Group 2009 $	Consolidated Group 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Trade and other payables – All Current		3,578,342	2,805,255	3,636,130	2,803,981
Financial liabilities as trade and other payables	23	3,578,342	2,805,255	3,636,130	2,803,981

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009
All amounts shown have been rounded to the nearest dollar unless otherwise indicated.

Note 16. BORROWINGS

	Note	Consolidated Group 2009 $	Consolidated Group 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
CURRENT					
Secured Liabilities					
Total current borrowings		-	-	-	-
NON-CURRENT					
Secured Liabilities					
Bank Loan	16a	-	429,215	-	429,215
Bank Commercial Bills	16a,c	4,997,000	2,200,000	4,997,000	2,200,000
Total non-current borrowings		4,997,000	2,629,215	4,997,000	2,629,215
Total borrowings	23	4,997,000	2,629,215	4,997,000	2,629,215
(a) Total current and non-current secured liabilities:					
Bank loan		-	429,215	-	429,215
Bank Commercial Bills		4,997,000	2,200,000	4,997,000	2,200,000
		4,997,000	2,629,215	4,997,000	2,629,215
(b) The carrying amounts of non-current assets pledged as security are:					
All assets					
TOTAL ASSETS		12,253,594	8,672,355	11,905,980	8,422,563

(c) Bank Commercial Bills

Bank commercial bills are secured by i) registered first mortgage over the freehold property situated at 132 Leichhardt Street SpringHill Queensland 4004, ii) registered bill of sale over all assets, and iii) letter of comfort by The Pharmacy Guild of Australia (National Secretariat).

Bank commercial bills mature as follows: $2.2m on 22/5/2013 and bears fixed interest rate at 7.18% payable quarterly in advance, and $2.797m on 28/03/2014 and bears fixed interest rate at 9.05% payable quarterly in advance.

Note 17. TAX

	Note	Consolidated Group 2009 $	Consolidated Group 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
(a) Liabilities					
CURRENT					
Income Tax Payable		126,905	113,469	-	-

NON-CURRENT

	Opening Balance $	Charged to Income $	Charged to Tax Payable $	Closing Balance $
Consolidated Group (Parent Entity: Nil)				
Deferred Tax Liability				
Receivables	-	-	26,138	26,138
Other	-	7,800	(7,800)	-
Balance at 30 June 2008	-	7,800	18,338	26,138
Receivables	26,138	3,084	-	29,222
Other	-	(292)	292	-
Balance at 30 June 2009	26,138	2,792	292	29,222
Deferred Tax Asset				
Tax assets	24,463	-	41,167	65,630
Payables	-	-	960	960
Other	-	7,800	(7,800)	-
Balance at 30 June 2008	24,463	7,800	34,327	66,590
Tax assets	65,630	(5,199)	(50,032)	10,399
Payables	960	9,452	-	10,412
Other	-	287	(287)	-
Balance at 30 June 2009	66,590	4,540	(50,319)	20,811

THE PHARMACY GUILD OF AUSTRALIA (QUEENSLAND BRANCH) AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009
All amounts shown have been rounded to the nearest dollar unless otherwise indicated.

Note 18. PROVISIONS

	Long Service Leave $	Annual Leave $	Total $
Consolidated Group & Parent Entity			
Opening balance at 1 July 2008	203,806	141,618	345,424
Additional provisions	(15,751)	200,852	185,101
Amounts used	(5,130)	(187,260)	(192,390)
Balance at 30 June 2009	182,925	155,210	338,135

	Note	Consolidated Group 2009 $	Consolidated Group 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
CURRENT					
Employee benefits – annual leave		155,210	141,618	155,210	141,618
Employee benefits – long service leave		143,037	59,309	143,037	59,309
		298,247	200,927	298,247	200,927
NON-CURRENT					
Employee benefits – long service leave		39,888	144,497	39,888	144,497
		338,135	345,424	338,135	345,424

Provision for Employee Benefits

A provision has been recognised for employee entitlements relating to annual and long service leave. 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 on historical data. The measurement and recognition criteria relating to employee benefits has been included in Note 1 to this report.

Note 19. RESERVES

Asset revaluation reserve

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

Note 20. SEGMENTAL REPORTING

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

Note 21. CAPITAL AND LEASING COMMITMENTS

	Consolidated Group		Parent Entity	
	2009	2008	2009	2008
	$	$	$	$
(a) Capital Expenditure Commitments				
Capital expenditure commitments contracted for:				
Building under construction	-	2,079,375	-	2,079,375
	-	2,079,375	-	2,079,375
Payable				
- not later than 12 months	-	2,079,375	-	2,079,375
- between 12 months and five years	-	-	-	-
	-	2,079,375	-	2,079,375

Note 22. CASH FLOW INFORMATION

	Note	Consolidated Group		Parent Entity	
		2009	2008	2009	2008
		$	$	$	$
(a) Reconciliation of Cash Flow from Operations with Profit after Income Tax					
Profit after income tax		431,136	721,497	290,772	504,296
Non-cash flows in profit					
Depreciation and amortisation		254,847	154,843	144,148	144,593
Loss/(gain) on disposal of property, plant and equipment		6,796	908	6,796	908
Changes in assets and liabilities					
(Increase)/decrease in trade and other receivables		(239,243)	111,968	108,955	(151,545)
Increase/(decrease) in trade and other payables		773,088	376,663	832,149	425,752
Increase/(decrease) in income taxes payable		13,436	113,469	-	-
Increase/(decrease) in deferred taxes payable		48,863	(15,989)	-	-
Increase/(decrease) in provisions		(45,274)	101,421	(45,274)	101,421
Cashflow from operations		1,243,649	1,564,780	1,337,546	1,025,425

THE PHARMACY GUILD OF AUSTRALIA (QUEENSLAND BRANCH) AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009
All amounts shown have been rounded to the nearest dollar unless otherwise indicated.

Note 23. FINANCIAL RISK MANAGEMENT

The Group's financial instruments consist mainly of deposits with banks, accounts receivable and payable, loans to and from subsidiaries, bills and leases.

The totals for each category of financial instruments, measured in accordance with AASB 139 as described in the accounting policies to these financial statements, are as follows:

	Note	Consolidated Group		Parent Entity	
		2009	2008	2009	2008
		$	$	$	$
Financial Assets					
Cash and cash equivalents	8	3,001,301	2,157,931	2,555,792	1,618,525
Loans and receivables	9	1,500,829	1,529,631	1,586,769	1,829.496
Available for sale financial assets	11(a)	-	-	6,098,624	1,350,100
		4,502,130	3,687,562	10,241,185	4,798,121
Financial Liabilities					
Financial liabilities at amortised cost:					
Trade and other payables	15	3,578,342	2,805,255	3,636,130	2,803,981
Borrowings	16	4,997,000	2,629,215	4,997,000	2,629,215
		8,575,342	5,434,470	8,633,130	5,433,196

Financial Risk Management Policies

The committee's overall risk management strategy seeks to assist the company in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the committee of management on a regular basis. These include the credit risk policies and future cash flow requirements.

The main purpose of non-derivative financial instruments is to raise finance for company operations. The company does not have any derivative instruments at 30 June 2009.

The finance committee, consisting of senior executives of the group, meets on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts. The finance committee's overall risk management strategy seeks to assist the consolidated group in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

The finance committee operates under policies that are approved and reviewed by the committee of management. Risk management policies are approved and reviewed by the committee of management on a regular basis. These include credit risk policies and future cash flow requirements.

Note 23. FINANCIAL RISK MANAGEMENT (cont'd)

Specific Financial Risk Exposures and Management

The main risks the group is exposed to through its financial instruments are interest rates, liquidity risk and credit risk.

a. Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at reporting date whereby a future change in interest rates will affect future cash flows.

Interest rate risk is managed with only cash held and no loans held. For further details on interest rate risk refer to Note 23b.

b. Liquidity risk

Liquidity risk arises from the possibility that the group might encounter difficulty in settling its debts or otherwise meeting its obligations relating to financial liabilities. The group manages this risk by monitoring forecast cash flows, maintaining a reputable credit profile, managing credit risk related to financial assets, and only investing surplus cash with major financial institutions. The group's policy is to ensure no more than 30% of borrowings should mature in any 12-month period.

The tables below reflect the undiscounted contractual maturity analysis for financial liabilities.
Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflect the earliest contractual settlement dates and do not reflect management's expectations that banking facilities will be rolled forward.

Financial liability and financial asset maturity analysis

Consolidated Group	Within 1 Year		1 to 5 years		Over 5 Years		Total	
	2009 $	2008 $	2009 $	2008 $	2009 $	2008 $	2009 $	2008 $
Financial liabilities due for payment								
Bank Bills & loans	-	-	2,200,000	2,629,215	2,797,000	-	4,997,000	2,629,215
Trade and other payables	3,578,342	2,805,255	-	-	-	-	3,578,342	2,805,255
Total expected outflows	**3,578,342**	**2,805,255**	**2,200,000**	**2,629,215**	**2,797,000**	**-**	**8,575,342**	**5,434,470**
Financial assets – cash flows realisable								
Cash and cash equivalents	3,001,301	2,157,931	-	-	-	-	3,001,301	2,157,931
Trade and other receivables	1,500,829	1,529,631	-	-	-	-	1,500,829	1,529,631
Other investments	-	-	-	-	-	-	-	-
Total anticipated inflows	**4,502,130**	**3,687,562**	**-**	**-**	**-**	**-**	**4,502,130**	**3,687,562**
Net (outflow) / inflow on financial instruments	**923,788**	**882,307**	**(2,200,000)**	**(2,629,215)**	**(2,797,000)**	**-**	**(4,073,212)**	**(1,746,908)**

THE PHARMACY GUILD OF AUSTRALIA (QUEENSLAND BRANCH) AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009
All amounts shown have been rounded to the nearest dollar unless otherwise indicated.

Note 23. FINANCIAL RISK MANAGEMENT (cont'd)

Parent Entity	Within 1 Year		1 to 5 years		Over 5 Years		Total	
	2009 $	2008 $	2009 $	2008 $	2009 $	2008 $	2009 $	2008 $
Financial liabilities due for payment								
Bank Bills & loans	-	-	2,200,000	2,629,215	2,797,000	-	4,997,000	2,629,215
Trade and other payables	3,636,130	2,803,981	-	-	-	-	3,636,130	2,803,981
Total expected outflows	**3,636,130**	**2,803,981**	**2,200,000**	**2,629,215**	**2,797,000**	**-**	**8,633,130**	**5,433,196**
Financial assets – cash flows realisable								
Cash and cash equivalents	2,555,792	1,618,525	-	-	-	-	2,555,792	1,618,525
Trade and other receivables	1,586,769	1,829,496	-	-	-	-	1,586,769	1,829,496
Other investments					6,098,624	1,350,100	6,098,624	1,350,100
Total anticipated inflows	**4,142,561**	**3,448,021**	**-**	**-**	**6,098,624**	**1,350,100**	**10,241,185**	**4,798,121**
Net (outflow) / inflow on financial instruments	**506,431**	**644,040**	**(2,200,000)**	**(2,629,215)**	**3,301,624**	**1,350,100**	**1,608,055**	**(635,075)**

c. Foreign exchange risk

The group is not exposed to fluctuations in foreign currency.

d. Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the group.

Credit risk is managed through maintaining procedures ensuring, to the extent possible, that customers and counterparties to transactions are of sound credit worthiness. It includes the utilisation of systems for the approval, granting and renewal of credit limits, the regular monitoring of exposures against such limits and the monitoring of the financial stability of significant customers and counterparties. Such monitoring is used in assessing receivables for impairment. Credit terms are generally 30 days from the date of invoice. Customers that do not meet the company's strict credit policies may only purchase in cash or using recognised credit cards.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the Board of Directors has otherwise cleared as being financially sound.

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at balance date, excluding the value of any collateral or other security held, is the equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the balance sheet. There are no material amounts of collateral held as security at 30 June 2009.

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed at Note 9.

Note 23. FINANCIAL RISK MANAGEMENT (cont'd)

The group does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Consolidated Group. The trade receivables balances at 30 June 2009 and 30 June 2008 do not include any counterparties with external credit ratings. Customers are assessed for credit worthiness using the criteria detailed above.

Credit risk related to balances with banks and other financial institutions is managed by the finance committee in accordance with approved committee of management policy. Such policy requires that surplus funds are only invested with counterparties with a Standard and Poor's (S&P) rating of at least AA-. The following table provides information regarding the credit risk relating to cash and money market securities based on S&P counterparty credit ratings.

	Note	Consolidated Group		Parent Entity	
		2009	2008	2009	2008
		$	$	$	$
Cash and cash equivalents					
- AA rated		3,001,829	2,157,931	2,555,792	1,618,525
	8	3,001,829	2,157,931	2,555,792	1,618,525

e. Price risk

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

The group is not exposed to any material commodity price risk.

Net Fair Values

The entity has no listed investments. 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.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to the financial statements.

Sensitivity Analysis

The following table illustrates sensitivities to the group's exposures to changes in interest rates and equity prices. The table indicates the impact on how profit and equity values reported at balance date would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

	Consolidated Group		Parent Entity	
	Profit	Equity	Profit	Equity
	$	$	$	$
Year ended 30 June 2009				
+ / - 2% in interest rates	+/-23,987	+/-23,987	+/-15,220	+/-15,220
	$	$	$	$
Year ended 30 June 2008				
+ / - 2% in interest rates	+/-17,784	+/-17,784	+/-13,080	+/-13,080

The above interest rate sensitivity analysis has been performed on the assumption that all other variables remain unchanged.

THE PHARMACY GUILD OF AUSTRALIA (QUEENSLAND BRANCH) AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009
All amounts shown have been rounded to the nearest dollar unless otherwise indicated.

Note 24. EVENTS AFTER THE BALANCE SHEET DATE

a. InnovationRX Pty Lyd has extended its arrangements with authorities in the U.S.A. to continue its trial within the U.S.A. to run MethShield at the expense of InnovationRX Pty Ltd. It is anticipated that after a successful trial, this would lead to licencing MethShield to appropriate authorities in the U.S.A.

Note 25. RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. Transactions with related parties include reimbursements of expenses.

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

M Bou-Samra (to 23/9/08)	N Loukas (to 23/9/08)
M Browne (to 23/9/08)	M McLoughlin
M Calanna (from 23/9/08)	D Nieling
M Farrell	K Peachey (to 23/9/08)
G Fotinos (from 23/9/08)	K Sclavos
D Holmes (from 23/9/08)	R Tomarchio (to 23/9/08)
S Holzberger	R Xynias
T Logan	

	Consolidated Group		Parent Entity	
	2009	2008	2009	2008
	$	$	$	$
Transactions with related parties:				
(a) Ultimate Parent Company				
Payment of membership subscriptions to The Pharmacy Guild of Australia	848,158	769,610	848,158	769,610
(b) Controlled Entities				
Management fee paid by InnovationRX Pty Ltd to parent entity	-	-	149,677	97,864
(c) Companies associated with members of Branch Committee				
Events management fees paid to a company controlled by Mr K Sclavos	37,383	37,180	37,383	37,180

No amounts have been paid to committee members on retirement from office.

(d) Identification of Related Parties Ultimate Parent Entity

The parent entity is ultimately controlled by The Pharmacy Guild of Australia.

Note 26. CAPITAL MANAGEMENT

Management controls the capital of the group in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and ensure that the group can fund its operations and continue as a going concern.

The group's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets.

There are no externally imposed capital requirements.

Management effectively manages the group's capital by assessing the group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

There have been no changes in the strategy adopted by management to control the capital of the group since the prior year. This strategy is to ensure that the group's gearing ratio remains between 50% and 60%. The gearing ratio's for the year ended 30 June 2009 and 30 June 2008 are as follows:

	Note	Consolidated Group		Parent Entity	
		2009	2008	2009	2008
		$	$	$	$
Total borrowings	16	4,997,000	2,629,215	4,997,000	2,629,215
Current tax liability	17	126,905	113,469	-	-
Trade and other payables	15	3,578,342	2,805,255	3,636,130	2,803,981
Less cash and cash equivalents	8	(3,001,301)	(2,157,931)	(2,555,792)	(1,618,525)
Net debt		5,700,946	3,390,008	6,077,338	3,814,671
Total equity		3,183,375	2,752,854	2,934,715	2,643,943
Total capital		8,884,321	6,142,862	9,012,053	6,458,614
Gearing ratio		64%	55%	67%	59%

Note 27. ENTITY DETAILS

The registered office of the entity is:

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

THE PHARMACY GUILD OF AUSTRALIA (QUEENSLAND BRANCH) AND CONTROLLED ENTITIES
COMMITTEE OF MANAGEMENT STATEMENT

On 24th September 2009 the Committee of Management of The Pharmacy Guild of Australia (Queensland Branch) (the "reporting unit") 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 reporting unit for the financial year to which they relate;
(d) there are reasonable grounds to believe that the reporting unit 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 reporting unit have been managed in accordance with the rules of the organisation; and
  (iii) the financial records of the reporting unit have been kept and maintained in accordance with the Registration and Accountability of Organisations (RAO) Schedule and the 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 reporting unit or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the member or Registrar; and
  (vi) there has been compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.

For Committee of Management: TIMOTHY JOHN LOGAN

Title of Office Held: BRANCH PRESIDENT

Signature: ……………………………

BRISBANE

Date: 24 September 2009

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INDEPENDENT AUDITOR'S REPORT

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

Grant Thornton Audit Pty Ltd
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We have audited the accompanying financial report of Pharmacy Guild of Australia (Queensland Branch), (the Guild) 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 of the consolidated entity comprising the guild and the entities it controlled at the year's end or from time to time during the financial year.

Committee of management's responsibility for the financial report

The committee of management of the company are responsible for the preparation and fair presentation of the financial report in accordance with 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. 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.

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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 complied with the independence requirement of Australian professional ethical pronouncements.

Auditor's opinion

In our opinion the general purpose financial report is presented fairly in accordance with applicable Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of the RAO Schedule of the Workplace Relations Act 1996.

GRANT THORNTON AUDIT PTY LTD

Simon Hancox
Director – Audit and Assurance Services

Brisbane

Dated 24 September 2009

FAIR WORK AUSTRALIA

17 November 2009

Mr Timothy Logan
Branch President
The Pharmacy Guild of Australia - Queensland Branch
By email: guild.qld@guild.org.au

Cc: Mr Simon Hancox
Director – Audit and Assurance Services
Grant Thornton Audit Pty Ltd
By email: info.qld@grantthornton.com.au

Dear Mr Logan,

Re: Financial Report for the year ended 30 June 2009 – FR2009/278

I acknowledge receipt of the financial report of the Queensland Branch of the Pharmacy Guild of Australia for the year ended 30 June 2009. The documents were lodged in with Fair Work Australia on 28 October 2009.

The documents have **not** been filed.

The *Fair Work (Registered Organisations) Act 2009* requires that a reporting unit provide members with a full or concise report (section 265(1)). A full report must contain a general purpose financial report which includes a balance sheet (section 253(2)(a)). It appears that a balance sheet was not included in the general purpose financial report provided to Fair Work Australia. This suggests that it may not have been provided to members.

If not already provided, a full report including a balance sheet must be provided to members. The branch is then required to present the report to either a general meeting of members or a meeting of the committee of management. If it is the branch's intention to present the report to a general meeting of members, this must be done no less than 21 days after it is provided to members.

Within 14 days of presentation of the report to a meeting, the report must be filed with Fair Work Australia. The report lodged on 28 October 2009 was not legible, as the print was much too small to read. When the next report is lodged it must be legible. We would prefer no more than 2 pages per A4 page.

Please call on 03 8661 7882 if you have any queries or wish to discuss the matter further. I have also provided your auditor with a copy of this letter.

Yours sincerely,

Rebecca Lee
Tribunal Services and Organisations
Fair Work Australia
Tel: 03 8661 7882
Email: rebecca.lee@fwa.gov.au

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