FAIR WORK AUSTRALIA

27 October 2011

Mr Timothy Logan
President
The Pharmacy Guild of Australia, Queensland Branch

email: enquiries@qldguild.org.au

Dear Mr Logan

Re: Financial Report for The Pharmacy Guild of Australia, Queensland Branch for year ended 30 June 2011 – FR2011/2589

I acknowledge receipt of the financial report and the statement of loans, grants and donations for The Pharmacy Guild of Australia, Queensland Branch for the year ended 30 June 2011. The report and statement were lodged with Fair Work Australia on 5 and 4 October 2011 respectively.

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.

Notes to the financial statements

Notice under section 272(5) of the Act

As you are aware the notes to the General Purpose Financial Report are required to include a notice drawing attention to the fact that information prescribed by the *Fair Work (Registered Organisations) Regulations 2009* is available to members on request. Note 2 to the financial statements reproduces the wording from outdated legislation. Instead the wording should read as follows:

(1) A member of a reporting unit, or the General Manager, 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).

Please ensure that future notes contain this extract of the Act word for word.

Fair Work (Registered Organisations) Act 2009

Reference to the 'Registration and Accountability of Organisations schedule (RAO)' and 'RAO' where appearing in item (c) of the Operating Report should properly refer to the 'Fair Work (Registered Organisations) Act 2009'. Also, reference to the 'RAO Schedule of the Fair Work (Registered Organisations) Act 2009' appearing in item 1b of the Audit Opinion should properly refer to the 'Fair Work (Registered Organisations) Act 2009'.

11 Exhibition Street
Melbourne VIC 3000
GPO Box 1994
Melbourne VIC 3001

Telephone: (03) 8661 7777
International: (613) 8661 7777
Facsimile: (03) 9655 0401
Email: melbourne@fwa.gov.au

If you wish to discuss any of the matters referred to above I can be contacted on (03) 8661 7764.

Yours sincerely

Kevin Donnellan

Tribunal Services and Organisations

Fair Work Australia
Email: kevin.donnellan@fwa.gov.au

The Pharmacy
Guild of Australia

Designated Officer's Certificate

s268 *Fair Work (Registered Organisations) Act 2009*

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 *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members on the 12th of September 2011; and
- that the full report was presented to a general meeting of members of the reporting unit on 4th October 2011; in accordance with section 266 of the *Fair Work (Registered Organisations) Act 2009.*

....
Signature

Date: 05 October 2011

Queensland Branch A.B.N. 87 076 197 623
132 Leichhardt Street Spring Hill Q 4000
PO Box 457 Spring Hill Q 4004
Telephone: + 61 7 3831 3788 • Facsimile: + 61 7 3831 9246
Email: enquiries@qldguild.org.au • Internet: www.guild.org.au

The Pharmacy Guild of Australia (Queensland Branch) and controlled entities

ABN 87 076 197 623

Financial Report
For the year ended 30 June 2011

Statement of Comprehensive Income

for the year ended 30 June 2011

	Notes	Consolidated Entity 2011 $	Consolidated Entity 2010 $	Parent Entity 2011 $	Parent Entity 2010 $
Revenue	3	**8,478,502**	8,778,434	**9,178,440**	9,014,468
Employee benefit expenses	4c	**(3,129,927)**	(2,938,924)	**(3,129,927)**	(2,938,924)
Depreciation and amortisation expense		**(343,109)**	(317,121)	**(179,299)**	(156,843)
Finance costs	4a	**(404,844)**	(405,486)	**(404,844)**	(405,486)
Other expenses	4a	**(4,584,402)**	(4,579,596)	**(4,593,603)**	(4,441,254)
Profit before income tax	4	**16,220**	537,307	**870,767**	1,071,961
Income tax expense	5	**(13,859)**	(68,474)	**-**	-
Profit after income tax		**2,361**	468,833	**870,767**	1,071,961
Other comprehensive income		**-**	-	**-**	-
Total comprehensive income for the year		**2,361**	468,833	**870,767**	1,071,961

Statement of Financial Position

as at 30 June 2011

	Notes	Consolidated Entity 2011 $	Consolidated Entity 2010 $	Parent Entity 2011 $	Parent Entity 2010 $
Assets					
Current					
Cash and cash equivalents	8	**3,091,270**	2,883,087	**2,988,648**	2,258,494
Trade and other receivables	9	**1,575,675**	1,508,548	**2,367,562**	2,066,236
Other current assets	10	**213,957**	364,320	**200,165**	348,528
Total Current Assets		**4,880,902**	4,755,955	**5,556,375**	4,673,258
Non-Current					
Trade and other receivables	9	**-**	-	**1,842,500**	1,842,500
Other financial assets	11	**-**	-	**6,272,029**	6,257,528
Property, plant and equipment	13	**6,389,336**	6,593,683	**599,478**	654,616
Deferred tax assets	17	**10,331**	33,227	**-**	-
Intangible assets	14	**1,134,822**	1,067,111	**-**	-
Total Non-Current Assets		**7,534,489**	7,694,021	**8,714,007**	8,754,644
Total Assets		**12,415,391**	12,449,976	**14,270,382**	13,427,902
Liabilities					
Current					
Trade and other payables	15	**3,430,937**	3,400,425	**4,031,583**	4,079,494
Financial liabilities	16	**-**	-	**-**	-
Current tax liabilities	17	**(32,086)**	23,196	**-**	-
Short-term provisions	18	**302,694**	300,749	**302,694**	300,749
Total Current Liabilities		**3,701,545**	3,724,370	**4,334,277**	4,380,243
Non-Current					
Financial liabilities	16	**4,997,000**	4,997,000	**4,997,000**	4,997,000
Deferred tax liabilities	17	**-**	31,800	**-**	-
Long-term provisions	18	**61,662**	43,983	**61,662**	43,983
Total Non-Current Liabilities		**5,058,662**	5,072,783	**5,058,662**	5,040,983
Total Liabilities		**8,760,207**	8,797,153	**9,392,939**	9,421,226
Net Assets		**3,655,184**	3,652,823	**4,877,443**	4,006,676
Equity					
Reserves	19	**-**	-	**-**	-
Retained earnings		**3,655,184**	3,652,823	**4,877,443**	4,006,676
Total Equity		**3,655,184**	3,652,823	**4,877,443**	4,006,676

The Pharmacy Guild of Australia (Queensland Branch)
and its controlled entities

Statement of Changes in Equity

for the year ended 30 June 2011

	Notes	Retained Earnings $	Asset Revaluation Reserve $	Total $
Consolidated entity				
Balance at 1 July 2009		3,179,375	4,615	**3,183,990**
Transfer reserves		4,615	(4,615)	**-**
Total comprehensive income		468,833	-	**468,833**
Balance at 30 June 2010		3,652,823	-	**3,652,823**
Balance at 1 July 2010		3,652,823	-	**3,652,823**
Transfer reserves		-	-	**-**
Total comprehensive income		2,361	-	**2,361**
Balance at 30 June 2011		3,655,184	-	**3,655,184**
Parent entity				
Balance at 1 July 2009		2,930,100	4,615	**2,934,715**
Transfer reserves		4,615	(4,615)	**-**
Total comprehensive income		1,071,961	-	**1,071,961**
Balance at 30 June 2010		4,006,676	-	**4,006,676**
Balance at 1 July 2010		4,006,676	-	**4,006,676**
Transfer reserves		-	-	**-**
Total comprehensive income		870,767	-	**870,767**
Balance at 30 June 2011		4,877,443	-	**4,877,443**

Statement of Cash Flows

for the year ended 30 June 2011

	Notes	Consolidated Entity 2011 $	Consolidated Entity 2010 $	Parent Entity 2011 $	Parent Entity 2010 $
Cash Flow from Operating Activities					
Receipts from members and customers		**9,215,206**	8,257,098	**8,839,707**	7,362,502
Receipts from Guild Group		**-**	335,206	**-**	335,206
Receipts from Gold Cross Products & Services Pty Ltd		**-**	84,679	**-**	84,679
Payments to suppliers and employees		**(8,440,845)**	(6,682,217)	**(8,301,389)**	(6,043,894)
Payments to ultimate parent entity		**-**	(950,938)	**-**	(950,938)
Interest received		**122,068**	92,768	**255,999**	104,142
Finance costs		**(404,844)**	(405,486)	**(404,844)**	(405,486)
Distributions received		**-**	-	**485,646**	-
Income tax paid		**(78,045)**	(182,021)	**-**	-
Net cash provided by (used in) operating activities	22a	**413,540**	549,089	**875,119**	486,211
Cash Flow from Investing Activities					
Proceeds from sale of property, plant and equipment		**43,725**	3,723	**43,725**	3,723
Proceeds from sale of intangible assets		**-**	-	**-**	1,675,000
Purchase of available-for-sale investments		**-**	-	**(14,501)**	(158,904)
Payment for property, plant and equipment		**(181,371)**	(381,960)	**(174,189)**	(208,981)
Payments for deferred development costs		**(67,711)**	(289,066)	**-**	(251,847)
Net cash provided by (used in) investing activities		**(205,357)**	(667,303)	**(144,965)**	1,058,991
Cash Flow from Financing Activities					
Payments to related parties		**-**	-	**-**	(1,842,500)
Proceeds from borrowings		**-**	-	**-**	-
Net cash provided by (used in) financing activities		**-**	-	**-**	(1,842,500)
Net increase/(decrease) in cash held		**208,183**	(118,214)	**730,154**	(297,298)
Cash at beginning of year		**2,883,087**	3,001,301	**2,258,494**	2,555,792
Cash at end of year	8	**3,091,270**	2,883,087	**2,988,648**	2,258,494

The Pharmacy Guild of Australia (Queensland Branch)
and its controlled entities

Notes to the Financial Statements

for the year ended 30 June 2011

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 organisation registered under the Fair Work (Registered Organisations) Act 2009. The nature of the operations and the principal activities of the Guild are described in the Operating Report.

1. Statement of significant accounting policies

Basis of preparation

Reporting Basis and Conventions

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 Fair Work (Registered Organisations) Act 2009.

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.

This financial report was authorised for issue in accordance with a resolution passed by the Branch Committee on 7 September 2011.

Accounting policies

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.

Notes to the Financial Statements
for the year ended 30 June 2011

1. Statement of significant accounting policies (continued)

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.

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.

As at 30 June 2011 InnovationRX has losses not recognised of $199,373. In the event when InnovationRX can display future taxable profits these losses will be recognised.

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.

Notes to the Financial Statements
for the year ended 30 June 2011

1. Statement of significant accounting policies (continued)

Depreciation

The depreciable amount of all fixed assets, including buildings, 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 assets are:

Class of Fixed Asset	*Depreciation Rate*
Buildings	2.5%
Plant and Equipment	5.0 - 40.0%

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

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

d. Financial instruments

Recognition and initial measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the consolidated entity becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the entity 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 transaction costs where the instrument is classified 'at fair value through profit and 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.

Notes to the Financial Statements
for the year ended 30 June 2011

1. Statement of significant accounting policies (continued)

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 consolidated entity 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 consolidated entity 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 statement of comprehensive income.

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.

The Pharmacy Guild of Australia (Queensland Branch)
and its controlled entities

Notes to the Financial Statements
for the year ended 30 June 2011

1. Statement of significant accounting policies (continued)

f. Intangibles (continued)

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 consolidated entity'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 cashflows 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.

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.

Notes to the Financial Statements
for the year ended 30 June 2011

1. Statement of significant accounting policies (continued)

i. Revenue and other income (continued)

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

j. Finance costs

All finance costs are recognised in the statement of comprehensive 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 Australian 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, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

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. Comparatives

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

The Pharmacy Guild of Australia (Queensland Branch)
and its controlled entities

Notes to the Financial Statements
for the year ended 30 June 2011

1. Statement of significant accounting policies (continued)

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 consolidated entity.

o. New Accounting Standards for application in future periods

The Australian Accounting Standards Board has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods and which the association has decided not to early adopt. A discussion of those future requirements and their impact on the association is as follows:
AASB 9: Financial Instruments (December 2010) (applicable for annual reporting periods commencing on or after 1 January 2013).
This Standard is applicable retrospectively and includes revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments. The association has not yet determined any potential impact on the financial statements.

The key changes made to accounting requirements include:
simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;

simplifying the requirements for embedded derivatives;
removing the tainting rules associated with held-to-maturity assets;
removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
AASB 124: Related Party Disclosures (applicable for annual reporting periods commencing on or after 1 January 2011).

This Standard removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities and clarifies the definition of a “related party” to remove inconsistencies and simplify the structure of the Standard. No changes are expected to materially affect the association.

AASB 2009–12: Amendments to Australian Accounting Standards [AASB 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052] (applicable for annual reporting periods commencing on or after 1 January 2011).

Notes to the Financial Statements

for the year ended 30 June 2011

1. Statement of significant accounting policies (continued)

o. New Accounting Standards for application in future periods (continued)

This Standard makes a number of editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRSs by the IASB. The Standard also amends AASB 8 to require entities to exercise judgment in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures. The amendments are not expected to impact the association.

AASB 2010–4: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, AASB 7, AASB 101 & AASB 134 and Interpretation 13] (applicable for annual reporting periods commencing on or after 1 January 2011).

This Standard details numerous non-urgent but necessary changes to Accounting Standards arising from the IASB's annual improvements project.:

This Standard is not expected to materially impact the group.

AASB 2010–8: Amendments to Australian Accounting Standards - Deferred Tax: Recovery of Underlying Assets [AASB 112] (applies to periods beginning on or after 1 January 2012).

AASB 2010–8: Amendments to Australian Accounting Standards - Deferred Tax: Recovery of Underlying Assets [AASB 112] (applies to periods beginning on or after 1 January 2012).

This Standard makes amendments to AASB 112: Income Taxes.

The amendments brought in by this Standard introduce a more practical approach for measuring deferred tax liabilities and deferred tax assets when investment property is measured using the fair value model under AASB 140: Investment Property.

Under the current AASB 112, the measurement of deferred tax liabilities and deferred tax assets depends on whether an entity expects to recover an asset by using it or by selling it. The amendments introduce a presumption that an investment property is recovered entirely through sale. This presumption is rebutted if the investment property is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.
The amendments brought in by this Standard also incorporate Interpretation 121 into AASB 112.
The amendments are not expected to impact the association.

The group does not anticipate early adoption of any of the above Australian Accounting Standards or Interpretations.

The Pharmacy Guild of Australia (Queensland Branch)
and its controlled entities

Notes to the Financial Statements
for the year ended 30 June 2011

2. Information to be provided to Members or Registrar

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions of subsections (1), (2) and (3) of section 272 of Fair Work (Registered Organisations) Act 2009 which read as follows:

(1) "A Member of a reporting units, 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)."

Notes to the Financial Statements

for the year ended 30 June 2011

3. Revenue

	Consolidated Entity 2011 $	Consolidated Entity 2010 $	Parent Entity 2011 $	Parent Entity 2010 $
Commissions received	**528,415**	488,421	**528,415**	488,421
Commonwealth Government project funding	**2,616**	-	**2,616**	60,002
Distributions received	**-**	-	**485,646**	477,308
Event and conference income	**2,937,486**	2,519,407	**2,937,486**	2,519,407
Gain on the sale of intangible assets	**-**	-	**-**	645,108
Interest received	**122,068**	92,768	**255,999**	104,142
Other grant income	**-**	30,577	**-**	-
Member subscriptions	**1,448,272**	1,303,401	**1,448,272**	1,303,401
National Secretariat Fighting Fund	**321,080**	285,752	**321,080**	285,752
National Secretariat project funding	**623,944**	1,765,243	**623,944**	668,633
Queensland Health project funding	**309,472**	250,870	**309,472**	250,870
Sales revenue	**700,779**	426,411	**781,139**	595,840
Training course fees	**1,484,370**	1,615,584	**1,484,371**	1,615,584
Total revenue	**8,478,502**	8,778,434	**9,178,440**	9,014,468
Distributions revenue from:				
- controlled entity:				
The Guild Properties (Queensland) Unit Trust	**-**	-	**485,646**	477,308
Total distribution revenue	**-**	-	**485,646**	477,308
Interest revenue from:				
- external parties	**122,068**	92,768	**106,449**	79,729
- controlled entity	**-**	-	**149,550**	24,413
	122,068	92,768	**255,999**	104,142

4. Profit for the Year

	Consolidated Entity 2011 $	Consolidated Entity 2010 $	Parent Entity 2011 $	Parent Entity 2010 $
Total comprehensive income has been determined after:				
a. Expenses				
Finance costs:				
- external interest	**404,844**	405,486	**404,844**	405,486

Notes to the Financial Statements

for the year ended 30 June 2011

4. Profit for the Year (continued)

	Consolidated Entity 2011 $	Consolidated Entity 2010 $	Parent Entity 2011 $	Parent Entity 2010 $
Other expenses:				
Advertising and promotions expenses	**76,444**	68,527	**53,654**	61,709
Bank and card charges	**54,237**	52,662	**52,945**	50,942
Branch committee expenses	**12,922**	10,373	**12,922**	10,373
Cleaning expenses	**39,535**	40,514	**39,535**	40,514
Computer costs	**130,206**	189,436	**23,607**	109,071
Conference and seminar attendance expenses	**17,562**	37,427	**17,562**	36,463
Consultancy expenses - other	**51,407**	184,346	**51,407**	12,301
Contract staff	**345,242**	163,441	**91,910**	153,371
Dispatch expenses	**93,983**	86,380	**93,406**	86,300
Donations	**6,261**	6,419	**6,261**	6,419
Events expenses:				
- Catering and dinner	**925,366**	738,770	**925,366**	738,770
- Commissions paid	**48,080**	52,537	**48,080**	52,537
- Consultancy expenses	**46,453**	44,873	**46,453**	44,873
- Display and venue expenses	**238,921**	189,873	**238,921**	189,873
- Printing and stationery	**105,921**	88,419	**105,921**	88,419
- Speaker costs	**99,837**	56,425	**99,837**	56,425
- Technical expenses	**156,372**	141,923	**156,372**	141,923
Insurance expenses	**58,793**	69,627	**52,080**	50,743
Legal costs	**68,756**	148,419	**14,651**	21,701
Meals expenses	**42,703**	57,744	**41,452**	55,221
Meeting expenses - AGM	**10,779**	9,501	**10,779**	9,501
Motor vehicle expenses	**64,117**	57,463	**64,014**	57,223
National Secretariat dues expense	**725,338**	665,370	**725,338**	665,370
National Secretariat Fighting Fund	**321,080**	285,752	**321,080**	285,752
Net loss on disposal of fixed assets	**(1,114)**	17,926	**(1,114)**	17,926
Pilot project costs write off	**-**	138,608	**-**	-
Printing and stationery - other	**124,570**	157,867	**121,019**	144,300
Power and light	**44,128**	41,102	**44,128**	41,102
Professional fees, including audit	**49,724**	49,386	**36,177**	38,411
Purchases - merchandise	**35,752**	28,365	**35,752**	28,365
Queensland Health Project materials	**24,011**	3,474	**24,011**	3,474
Rates	**28,370**	25,893	**-**	-
Rent	**-**	-	**540,000**	540,000
Repairs and maintenance	**12,106**	26,370	**12,106**	26,370
Security expenses	**9,729**	7,084	**9,729**	7,084
Sponsorship	**18,614**	39,312	**18,614**	36,941
Staff procurement	**13,970**	42,331	**13,970**	42,331
Subscriptions	**12,235**	19,661	**11,363**	18,388
Telephone and internet expenses	**76,868**	79,788	**74,070**	67,954
Travelling and fares expenses	**164,280**	227,084	**155,765**	206,015
Sundry expenses	**230,844**	229,124	**204,460**	196,799
Total other expenses	**4,584,402**	4,579,596	**4,593,603**	4,441,254

Notes to the Financial Statements

for the year ended 30 June 2011

4. Profit for the Year (continued)

	Consolidated Entity		Parent Entity	
	2011	2010	**2011**	2010
	$	$	**$**	$
Bad and doubtful debts:				
- trade receivables	**-**	-	**-**	-
Net loss on disposal of:				
- property, plant and equipment	**(1,114)**	17,926	**(1,114)**	17,926
Defined contribution plan:				
- superannuation expense	**262,822**	241,147	**262,822**	241,147

b. Significant revenue and expenses

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

Gain on the sale of intangible assets	**-**	-	**-**	645,108

c. Employee benefits expense

Amounts paid to Office Holders	**332,921**	323,448	**332,921**	323,448
Amounts paid to all other employees	**2,797,006**	2,615,476	**2,797,006**	2,615,476
Total employee benefits expense	**3,129,927**	2,938,924	**3,129,927**	2,938,924

No fees or allowances have been paid to committee members/office holders in respect of their attendances as representatives of the Pharmacy Guild of Australia (Queensland Branch).

5. Income tax expense

	Note	Consolidated Entity		Parent Entity	
		2011	2010	**2011**	2010
		$	$	**$**	$
a. The components of tax expense comprise:					
Current tax		**(199,372)**	79,386	**-**	**-**
Deferred tax	17	**(8,904)**	1,372	**-**	**-**
Under / (Over) provision in prior year		**22,762**	**(12,284)**	**-**	**-**
Losses not brought to accounts		**199,373**	**-**	**-**	**-**
		13,859	68,474	**-**	-

The Pharmacy Guild of Australia (Queensland Branch)
and its controlled entities

Notes to the Financial Statements

for the year ended 30 June 2011

5. Income tax expense (continued)

	Consolidated Entity		Parent Entity	
	2011	2010	**2011**	2010
	$	$	**$**	$
b. The prima facie tax on profit before income tax is reconciled to the income tax expenses as follows:				
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2009: 30%)	**4,866**	161,192	**261,230**	321,588
Add:				
Tax effect of:				
- non-deductible expenses	**-**	-	**-**	-
Less:				
Tax effect of:				
- exempt income and expenses	**213,142**	80,434	**261,230**	321,588
- over / (under) provision in prior year	**(22,762)**	12,284	**-**	-
- losses not brought to account	**(199,373)**	**-**	**-**	**-**
Income tax expense attributable to entity	**13,859**	68,474	**-**	-
The applicable weighted average effective tax rates are as follows:	**85.45%**	12.74%	**0.00%**	0.00%

6. Key management personnel compensation

Remuneration paid to key management personnel includes salary, contributions to members' superannuation and other benefits paid to them and on their behalf.

The key management personnel compensation included within employee benefits expense is as follows:

	Consolidated Entity		Parent Entity	
	2011	2010	**2011**	2010
	$	$	**$**	$
Short-term employee benefits	**299,220**	288,760	**299,220**	288,760
Post-employment benefits	**33,701**	34,688	**33,701**	34,688
	332,921	323,448	**332,921**	323,448

7. Auditors' remuneration

	Consolidated Entity		Parent Entity	
	2011	2010	**2011**	2010
	$	$	**$**	$
Remuneration of auditor of the parent entity for:				
- auditing of the financial report	**42,215**	37,920	**35,670**	33,020
- preparation of the financial report	**6,710**	5,000	**3,710**	3,600
- taxation services	**3,500**	4,551	**3,500**	1,851
	52,425	47,471	**42,880**	38,471

Notes to the Financial Statements
for the year ended 30 June 2011

8. Cash and cash equivalents

	Consolidated Entity 2011 $	Consolidated Entity 2010 $	Parent Entity 2011 $	Parent Entity 2010 $
Cash at bank and on hand	**3,091,270**	2,883,087	**2,988,648**	2,258,494
	3,091,270	2,883,087	**2,988,648**	2,258,494

Reconciliation of cash

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to items in the Statement of Financial Position as follows:

	Consolidated Entity 2011 $	Consolidated Entity 2010 $	Parent Entity 2011 $	Parent Entity 2010 $
Cash and cash equivalents	**3,091,270**	2,883,087	**2,988,648**	2,258,494

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

9. Trade and other receivables

	Notes	Consolidated Entity 2011 $	Consolidated Entity 2010 $	Parent Entity 2011 $	Parent Entity 2010 $
Current					
Trade receivables		**1,084,085**	1,156,177	**1,081,641**	1,146,119
less: Provision for impairment	9a	**-**	-	**-**	-
		1,084,085	1,156,177	**1,081,641**	1,146,119
Accrued revenue		**99,033**	59,275	**99,033**	59,275
Sundry debtors		**200**	8,686	**200**	804
Government grant receivable		**-**	-	**-**	-
Amounts receivable from:					
- Ultimate parent entity					
Pharmacy Guild of Australia		**366,970**	229,691	**303,581**	123,691
- Controlled entities					
The Guild Properties (Queensland) Unit Trust		**-**	-	**586,340**	582,491
InnovationRX International Pty Ltd		**-**	-	**271,380**	99,137
- Other related parties of ultimate parent entity					
Pharmacy Guild of Australia Branches					
- SA Branch		**-**	97	**-**	97
- WA Branch		**-**	-	**-**	-
- VIC Branch		**-**	-	**-**	-
- NSW Branch		**-**	-	**-**	-
- TAS Branch		**-**	-	**-**	-

The Pharmacy Guild of Australia (Queensland Branch)
and its controlled entities

Notes to the Financial Statements
for the year ended 30 June 2011

9. Trade and other receivables (continued)

	Notes	Consolidated Entity 2011 $	Consolidated Entity 2010 $	Parent Entity 2011 $	Parent Entity 2010 $
- Other related parties of ultimate parent entity (continued)					
Guild Group		**-**	46,614	**-**	46,614
Gold Cross Products & Services Pty Ltd		**25,387**	8,008	**25,387**	8,008
		491,590	352,371	**1,285,921**	920,117
		1,575,675	1,508,548	**2,367,562**	2,066,236
Non-Current					
Amounts receivable from:					
- Controlled entities					
InnovationRX International Pty Ltd		**-**	-	**1,842,500**	1,842,500
		-	-	**1,842,500**	1,842,500

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 Entity 2011 $	Consolidated Entity 2010 $	Parent Entity 2011 $	Parent Entity 2010 $
Trade receivables				
Within initial trade terms	**133,567**	153,959	**131,123**	143,901
Past due receivables (but not impaired):				
Overdue 1 - 29 days	**868,797**	807,686	**868,797**	807,686
Overdue 30 - 59 days	**10,755**	56,758	**10,755**	56,758
Overdue > 60 days	**70,966**	137,774	**70,966**	137,774
Gross amount	**1,084,085**	1,156,177	**1,081,641**	1,146,119

Notes to the Financial Statements

for the year ended 30 June 2011

9. Trade and other receivables (continued)

	Notes	Consolidated Entity 2011 $	2010 $	Parent Entity 2011 $	2010 $
Other receivables					
Within initial trade terms		**392,657**	190,067	**2,931,886**	2,600,313
Past due receivables (but not impaired):					
Overdue 1 - 29 days		**208**	3,767	**3,700**	3,767
Overdue 30 - 59 days		**98,725**	83,435	**121,785**	83,435
Overdue > 60 days		**-**	75,104	**71,050**	75,104
		491,590	352,373	**3,128,421**	2,762,619

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

b. Financial assets classified as loans and receivables

Trade and other receivables

	Notes	Consolidated Entity 2011 $	2010 $	Parent Entity 2011 $	2010 $
Total current		**1,575,675**	1,508,548	**2,367,562**	2,066,236
Total non-current		**-**	-	**1,842,500**	1,842,500
Financial assets	23	**1,575,675**	1,508,548	**4,210,062**	3,908,736

c. Collateral pledged

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

10. Other assets

	Consolidated Entity 2011 $	2010 $	Parent Entity 2011 $	2010 $
Current				
Prepayments - expense	**213,957**	364,320	**200,165**	348,528
	213,957	364,320	**200,165**	348,528

The Pharmacy Guild of Australia (Queensland Branch)
and its controlled entities

Notes to the Financial Statements

for the year ended 30 June 2011

11. Other financial assets

	Notes	Consolidated Entity 2011 $	2010 $	Parent Entity 2011 $	2010 $
Non-Current					
Available-for-sale financial assets					
Available for sale financial assets comprise:					
Unlisted investments, at cost					
- shares in controlled entity InnovationRX International Pty Ltd		**-**	-	**2**	100
- units in controlled unit trust The Guild Properties (Queensland) Unit Trust		**-**	-	**6,272,027**	6,257,428
	23	**-**	**-**	**6,272,029**	6,257,528

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 2010.

12. Controlled entities

	Country of Incorporation	Percentage Owned (%) 2011	2010
Parent Entity:			
The Pharmacy Guild of Australia (Queensland Branch)	n/a	**-**	-
Ultimate Parent Entity:			
The Pharmacy Guild of Australia			
Controlled Entities of Parent Entity:			
InnovationRX IP Pty Ltd	Australia	**100%**	-
InnovationRX Australia Pty Ltd	Australia	**100%**	-
InnovationRX International Pty Ltd	Australia	**100%**	100%
The Guild Properties (Queensland) Unit Trust and its trustee Guildprop Pty Ltd	Australia	**100%**	100%

Notes to the Financial Statements
for the year ended 30 June 2011

13. Property, plant and equipment

	Consolidated Entity		Parent Entity	
	2011	2010	**2011**	2010
	$	$	**$**	$
Non-Current				
Freehold land - at cost	**940,000**	940,000	**-**	-
Buildings - at cost	**5,332,028**	5,317,428	**-**	-
less: Accumulated depreciation	**(491,188)**	(330,898)	**-**	-
less: Provision for impairment	**-**	-	**-**	-
	4,840,840	4,986,530	**-**	-
Buildings under construction - at cost	**-**	-	**-**	-
Total land and buildings	**5,780,840**	5,926,530	**-**	-
Plant and equipment - at revaluation	**2,821**	2,821	**2,821**	2,821
less: Accumulated depreciation	**(2,821)**	(2,821)	**(2,821)**	(2,821)
Plant and equipment - at cost	**1,152,121**	1,098,982	**1,138,047**	1,084,907
less: Accumulated depreciation	**(543,625)**	(431,829)	**(538,569)**	(430,291)
	608,496	667,153	**599,478**	654,616
Total property, plant and equipment	**6,389,336**	6,593,683	**599,478**	654,616

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.

The Pharmacy Guild of Australia (Queensland Branch)
and its controlled entities

Notes to the Financial Statements
for the year ended 30 June 2011

13. Property, plant and equipment (continued)

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

Consolidated entity:
30 June 2010

	Freehold Land	Buildings	Building Under Construct-ion	Plant and Equipment	TOTAL
Balance at beginning of the year	940,000	4,986,366	-	624,127	6,550,493
Additions	-	158,904	-	223,056	381,960
Transfers	-	-	-	-	-
Disposals	-	-	-	(21,649)	(21,649)
Depreciation expense	-	(158,740)	-	(158,381)	(317,121)
Reversal of provision for impairment	-	-	-	-	-
Carrying amount at the end of the year	**940,000**	**4,986,530**	**-**	**667,153**	**6,593,683**

30 June 2011

	Freehold Land	Buildings	Building Under Construct-ion	Plant and Equipment	TOTAL
Balance at beginning of the year	**940,000**	**4,986,530**	**-**	**667,153**	**6,593,683**
Additions	-	14,600	-	167,211	181,811
Transfers	-	-	-	-	-
Disposals	-	-	-	(42,611)	(42,611)
Depreciation expense	-	(160,290)	-	(183,257)	(343,547)
Reversal of provision for impairment	-	-	-	-	-
Carrying amount at the end of the year	**940,000**	**4,840,840**	**-**	**608,496**	**6,389,336**

Notes to the Financial Statements
for the year ended 30 June 2011

14. Intangible assets

		Consolidated Entity 2011 $	Consolidated Entity 2010 $	Parent Entity 2011 $	Parent Entity 2010 $
Development costs		**1,134,822**	1,067,111	**-**	-
Reconciliation of development costs					
Balance at the beginning of year		**1,067,111**	778,045	**-**	778,045
Cost of developments		**67,711**	289,066	**-**	251,847
Disposal of intangible assets		**-**	-	**-**	(1,029,892)
Closing carrying value at 30 June		**1,134,822**	1,067,111	**-**	-

15. Payables

		Consolidated Entity 2011 $	Consolidated Entity 2010 $	Parent Entity 2011 $	Parent Entity 2010 $
Current					
Unsecured liabilities					
Trade payables		**73,444**	94,430	**73,444**	94,430
Sundry payables		**123,780**	140,494	**134,543**	280,753
Accrued expenses		**93,225**	178,290	**85,019**	146,498
Income in advance - member subscriptions		**2,048,424**	1,767,046	**2,048,424**	1,767,046
Income in advance - unexpended funds/grant		**135,109**	306,732	**135,109**	306,732
Income in advance - other		**946,873**	909,559	**946,873**	875,954
Other related parties - Gold Cross		**2,000**	-	**2,000**	-
Amounts owing to:					
- Ultimate parent entity					
Pharmacy Guild of Australia		**8,082**	3,874	**8,082**	3,874
- Controlled entities					
InnovationRX International Pty Ltd		**-**	-	**4,089**	10,207
The Guild Properties (Queensland) Unit Trust		**-**	-	**594,000**	594,000
	15a	**3,430,937**	3,400,425	**4,031,583**	4,079,494
a. Financial liabilities at amortised cost classified as trade and other payables					
Trade and other payables - all current		**3,430,937**	3,400,425	**4,031,583**	4,079,494
Financial liabilities as trade and other payables	23	**3,430,937**	3,400,425	**4,031,583**	4,079,494

Notes to the Financial Statements
for the year ended 30 June 2011

16. Financial liabilities

		Consolidated Entity 2011 $	Consolidated Entity 2010 $	Parent Entity 2011 $	Parent Entity 2010 $
Current					
Secured					
Bank loan		**-**	-	**-**	-
		-	-	**-**	-
Non-Current					
Secured					
Bank loan	16a	**-**	-	**-**	-
Bank commercial bills	16a,c	**4,997,000**	4,997,000	**4,997,000**	4,997,000
		4,997,000	4,997,000	**4,997,000**	4,997,000
a. Total current and non-current secured liabilities:					
Bank loan		**-**	-	**-**	-
Bank commercial bills		**4,997,000**	4,997,000	**4,997,000**	4,997,000
		4,997,000	4,997,000	**4,997,000**	4,997,000
b. The carrying amounts of assets pledged as security are:					
All assets					
TOTAL ASSETS		**12,415,391**	12,449,976	**14,270,382**	13,427,902

c. Bank commercial bills

Bank commercial bills are secured by i) registered first mortgage over the freehold property situated at 132 Leichhardt Street Spring Hill 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.

17. Tax

	Consolidated Entity 2011 $	Consolidated Entity 2010 $	Parent Entity 2011 $	Parent Entity 2010 $
a. Liabilities				
Current				
Income tax payable	**(32,086)**	23,196	**-**	-

Notes to the Financial Statements
for the year ended 30 June 2011

17. Tax (continued)

Non-Current

Deferred tax liability	**Receivables**	**Other**	**Total**
	$	**$**	$
As at 1 July 2009	29,222	-	**29,222**
Charged to income	2,578	-	**2,578**
Charged to tax payable	-	-	**-**
As at 1 July 2010	31,800	-	**31,800**
Charged to income	(31,800)	-	**(31,800)**
Charged to tax payable	-	-	**-**
As at 30 June 2011	-	-	**-**

Deferred tax asset	**Tax assets**	**Payables**	**Other**	**Total**
	$	**$**	**$**	$
As at 1 July 2009	10,399	10,412	-	**20,811**
Charged to income	(8,001)	9,207	-	**1,206**
Charged to tax payable	11,210	-	-	**11,210**
As at 1 July 2010	13,608	19,619	-	**33,227**
Charged to income	(8,002)	(14,894)	-	**(22,896)**
Charged to tax payable	-	-	-	**-**
As at 30 June 2011	5,606	4,725	-	**10,331**

18. Provisions

	Consolidated Entity		**Parent Entity**	
	2011	2010	**2011**	2010
	$	$	**$**	$
Current				
Employee benefits - annual leave	**140,784**	142,866	**140,784**	142,866
Employee benefits - long service leave	**161,910**	157,883	**161,910**	157,883
	302,694	300,749	**302,694**	300,749
Non-current				
Employee benefits - long service leave	**61,662**	43,983	**61,662**	43,983
Total employee benefits	**364,356**	344,732	**364,356**	344,732

	Long Service Leave	Annual Leave	**Total**
	$	$	**$**
Opening balance at 1 July 2010	201,866	142,866	**344,732**
Additional provisions	36,603	188,702	**225,305**
Amounts used	(14,897)	(190,784)	**(205,681)**
Balance at 30 June 2011	223,572	140,784	**364,356**

The Pharmacy Guild of Australia (Queensland Branch)
and its controlled entities

Notes to the Financial Statements
for the year ended 30 June 2011

18. Provisions (continued)

	Long Service Leave	Annual Leave	**Total**
	$	$	**$**
Reconciliation of employee benefits			
Amounts payable to Office Holders	47,160	15,648	**62,808**
Amounts payable to all other employees	176,412	125,136	**301,548**
	223,572	140,784	**364,356**

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.

19. Reserves

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

20. Segmental reporting

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

21. Capital commitments

	Consolidated Entity		**Parent Entity**	
	2011	2010	**2011**	2010
	$	$	**$**	$
Capital expenditure commitments contracted for:				
Building under construction	**-**	-	**-**	-
Payable:				
Not later than one year	**-**	-	-	-
Later than 1 year but not later than 5 years	**-**	-	**-**	-
	-	-	**-**	-

Notes to the Financial Statements

for the year ended 30 June 2011

22. Cash flow information

	Consolidated Entity 2011 $	Consolidated Entity 2010 $	Parent Entity 2011 $	Parent Entity 2010 $
a. Reconciliation of cash flow from operating activities with profit after income tax				
Profit after income tax	**2,361**	468,833	**870,767**	1,071,961
Non-cash flows in profit:				
- Depreciation and amortisation expense	**335,692**	317,121	**179,299**	156,843
- (Profit) / loss on disposal of property, plant and equipment and intangibles	**(1,114)**	17,926	**(1,114)**	(627,182)
- Other non-cash	**7,417**	**-**	**7,417**	**-**
Change in assets and liabilities:				
- (Increase)/decrease in trade and other receivables	**83,236**	30,076	**(152,963)**	(565,372)
- Increase/(decrease) in trade and other payables	**30,510**	(177,917)	**(47,911)**	443,364
- Increase/(decrease) in income taxes payable	**(55,282)**	(103,709)	**-**	-
- Increase/(decrease) in deferred taxes payable	**(8,904)**	(9,838)	**-**	-
- Increase/(decrease) in provisions	**19,624**	6,597	**19,624**	6,597
Cash flows from operations	**413,540**	549,089	**875,119**	486,211

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 Entity 2011 $	Consolidated Entity 2010 $	Parent Entity 2011 $	Parent Entity 2010 $
Financial Assets					
Cash and cash equivalents	8	**3,091,270**	2,883,087	**2,988,648**	2,258,494
Loans and receivables	9	**1,575,675**	1,508,548	**2,367,562**	3,908,736
Available for sale financial assets	11a	**-**	-	**6,272,029**	6,257,528
		4,666,945	4,391,635	**11,628,239**	12,424,758
Financial Liabilities					
Financial liabilities at amortised cost:					
Trade and other payables	15	**3,430,937**	3,400,425	**4,031,583**	4,079,494
Other financial liabilities	16	**4,997,000**	4,997,000	**4,997,000**	4,997,000
		8,427,937	8,397,425	**9,028,583**	9,076,494

Notes to the Financial Statements

for the year ended 30 June 2011

23. Financial risk management (continued)

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 group operations. The group does not have any derivative instruments at 30 June 2011 (2010: nil).

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.

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.

Notes to the Financial Statements

for the year ended 30 June 2011

23. Financial risk management (continued)

Consolidated entity

	Within 1 Year	1-5 Years	Over 5 Years	Total
	$	$	$	$
2011				
Financial liabilities due for payment				
Trade and other payables	3,460,004	-	-	3,460,004
Bank bills and loans	-	4,997,000	-	4,997,000
Total expected outflows	3,460,004	4,997,000	-	8,457,004
Financial assets – cash flows realisable				
Cash and cash equivalents	3,091,270	-	-	3,091,270
Trade and other receivables	1,572,199	-	-	1,572,199
Total anticipated inflows	4,663,469	-	-	4,663,469
Net (outflow) / inflow on financial instruments	**1,203,465**	**(4,997,000)**	**-**	**(3,793,535)**

Consolidated entity

	Within 1 Year	1-5 Years	Over 5 Years	Total
	$	$	$	$
2010				
Financial liabilities due for payment				
Trade and other payables	3,400,425	-	-	3,400,425
Bank bills and loans	-	4,997,000	-	4,997,000
Total expected outflows	3,400,425	4,997,000	-	8,397,425
Financial assets – cash flows realisable				
Cash and cash equivalents	2,883,087	-	-	2,883,087
Trade and other receivables	1,508,548	-	-	1,508,548
Total anticipated inflows	4,391,635	-	-	4,391,635
Net (outflow) / inflow on financial instruments	**991,210**	**(4,997,000)**	**-**	**(4,005,790)**

The Pharmacy Guild of Australia (Queensland Branch)
and its controlled entities

Notes to the Financial Statements

for the year ended 30 June 2011

23. Financial risk management (continued)

Parent entity

	Within 1 Year	1-5 Years	Over 5 Years	Total
	$	$	$	$
2011				
Financial liabilities due for payment				
Trade and other payables	4,059,651	-	-	4,059,651
Bank bills and loans	-	4,997,000	-	4,997,000
Total expected outflows	4,059,651	4,997,000	-	9,056,651
Financial assets – cash flows realisable				
Cash and cash equivalents	2,988,648	-	-	2,988,648
Trade and other receivables	2,189,025	2,016,561	-	4,205,586
Other investments	-	-	6,272,030	6,272,030
Total anticipated inflows	5,177,673	2,016,561	6,272,030	13,466,264
Net (outflow) / inflow on financial instruments	**1,118,022**	**(2,980,439)**	**6,257,528**	**4,409,613**

Parent entity

	Within 1 Year	1-5 Years	Over 5 Years	Total
	$	$	$	$
2010				
Financial liabilities due for payment				
Trade and other payables	4,079,494	-	-	4,079,494
Bank bills and loans	-	4,997,000	-	4,997,000
Total expected outflows	4,079,494	4,997,000	-	9,076,494
Financial assets – cash flows realisable				
Cash and cash equivalents	2,258,494	-	-	2,258,494
Trade and other receivables	2,066,236	1,842,500	-	3,908,736
Other investments	-	-	6,257,528	6,257,528
Total anticipated inflows	4,324,730	1,842,500	6,257,528	12,424,758
Net (outflow) / inflow on financial instruments	**245,236**	**(3,154,500)**	**6,257,528**	**3,348,264**

c. Foreign exchange risk

The group is not exposed to fluctuations in foreign currency.

Notes to the Financial Statements
for the year ended 30 June 2011

23. Financial risk management (continued)

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 group'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 2011 (2010: nil).

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.

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 2011 and 30 June 2010 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.

		Consolidated Entity		**Parent Entity**	
		2011	2010	**2011**	2010
		$	$	**$**	$
Cash and cash equivalents					
- AA rated	8	**3,091,270**	2,883,087	**2,988,648**	2,258,494

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.

Notes to the Financial Statements
for the year ended 30 June 2011

23. Financial risk management (continued)

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 Entity		**Parent Entity**	
	Profit	**Equity**	**Profit**	**Equity**
	$	**$**	**$**	**$**
Year-ended 30 June 2011				
+ / - 2% in interest rates	+/- 52,843	+/- 52,843	+/- 83,008	+/- 83,008
Year-ended 30 June 2010				
+ / - 2% in interest rates	+/- 47,574	+/- 47,574	+/- 38,830	+/- 38,830

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

24. Events after balance date

As of the date of the signing of this report the director's were not aware of any events which materially affect the numbers presented in this financial report.

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 McLoughlin
D Nieling
G Fotinos
D Holmes
R Xynias
T Twomey
M Calanna
M Farrell
K Sclavos
S Holzberger
T Logan

Notes to the Financial Statements
for the year ended 30 June 2011

25. Related party transactions (continued)

	Consolidated Entity 2011 $	Consolidated Entity 2010 $	Parent Entity 2011 $	Parent Entity 2010 $
a. Ultimate Parent Entity				
Payment of membership subscriptions to The Pharmacy Guild of Australia	**1,046,601**	950,938	**1,046,601**	950,938
Amounts payable to parent entity by The Pharmacy Guild of Australia	**366,970**	229,691	**303,581**	123,691
Amounts payable by parent entity to The Pharmacy Guild of Australia	**8,082**	3,874	**8,082**	3,874
b. Controlled Entities				
Management fee paid by InnovationRX International Pty Ltd to parent entity	**-**	-	**454,726**	199,783
Intangible assets sold to InnovationRX International Pty Ltd by parent entity	**-**	-	**-**	1,675,000
Gain on sale recognised by parent entity	**-**	-	**-**	645,108
Loan advanced to Innovation RX International by parent entity at 7.95%p.a.	**-**	-	**2,016,560**	1,842,500
Interest received during the year on the loan by the parent entity	**-**	-	**149,550**	24,413
Amounts payable to parent entity by InnovationRX International Pty Ltd	**-**	-	**98,569**	99,137
Amounts payable by parent entity to InnovationRX International Pty Ltd	**-**	-	**4,089**	10,207
Rent paid by parent entity to Guild Properties Trust	**-**	-	**540,000**	540,000
Distribution received by parent entity from Guild Properties Trust	**-**	-	**485,646**	477,308
Amounts payable to parent entity by Guild Properties Trust	**-**	-	**586,340**	582,491
Amounts payable by parent entity to Guild Properties Trust	**-**	-	**594,000**	594,000

The Pharmacy Guild of Australia (Queensland Branch)
and its controlled entities

Notes to the Financial Statements
for the year ended 30 June 2011

25. Related party transactions (continued)

	Consolidated Entity 2011 $	Consolidated Entity 2010 $	Parent Entity 2011 $	Parent Entity 2010 $
c. Companies associated with members of the Branch Committee				
Event management fees paid to a company controlled by Mr K Sclavos	**39,953**	39,373	**39,953**	39,373
d. Other Reporting Units related to the Ultimate Parent Entity				
Amounts received from Guild Group	**362,706**	335,206	**362,706**	335,206
Amounts payable to parent entity by Guild Group	**-**	46,614	**-**	46,614
Amounts received from Gold Cross Products & Services Pty Ltd	**-**	84,679	**-**	84,679
Amounts payable to parent entity by Gold Cross Products & Services Pty Ltd	**25,387**	8,008	**25,387**	8,008

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

26. Leasing commitments

The Pharmacy Guild of Australia (Queensland Branch) leases floor space to leasee's on a commercial basis for a period of 1 to 3 years.

	Consolidated Entity 2011 $	Consolidated Entity 2010 $	Parent Entity 2011 $	Parent Entity 2010 $
Amounts receivable:				
Not later than one year	**39,750**	45,735	**39,750**	45,735
Later than 1 year but not later than 5 years	**3,323**	43,063	**3,323**	43,063
	43,073	88,798	**43,073**	88,798

27. 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.

Notes to the Financial Statements

for the year ended 30 June 2011

27. Capital management (continued)

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 65%. The gearing ratio's for the year ended 30 June 2011 and 30 June 2010 are as follows:

		Consolidated Entity		Parent Entity	
		2011	2010	**2011**	2010
		$	$	**$**	$
Total borrowings	16	**4,997,000**	4,997,000	**4,997,000**	4,997,000
Current tax liability	17	**(32,086)**	23,196	**-**	-
Trade and other payables	15	**3,430,937**	3,400,425	**4,031,583**	4,079,494
Less cash and cash equivalents	8	**(3,091,270)**	(2,883,087)	**(2,988,648)**	(2,258,494)
Net debt		**5,304,581**	5,537,534	**6,039,935**	6,818,000
Total equity		**3,655,184**	3,652,823	**4,877,443**	4,006,676
Total capital		**8,959,765**	9,190,357	**10,917,378**	10,824,676
Gearing ratio		**59%**	60%	**55%**	63%

28. Entity details

The registered office and principal place of business 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 its controlled entities

Committee of Management Statement

On 7th September 2011 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 2011.

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 reporting guidelines of the General Manager of Fair Work Australia;
(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 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

BRISBANE

GrantThornton

INDEPENDENT AUDITOR'S REPORT

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

Grant Thornton Audit Pty Ltd
ABN 91 130 913 594
ACN 130 913 594

Ground Floor
102 Adelaide Street
Brisbane
Queensland 4000
GPO Box 1008
Brisbane
Queensland 4001

T + 61 7 3222 0200
F + 61 7 3222 0444
E info.qld@au.gt.com
W www.grantthornton.com.au

We have audited the accompanying financial report of Pharmacy Guild of Australia (Queensland Branch) (the Guild), which comprises the statement of financial position as at 30 June 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information to the financial report and the statement by the Committee of Management 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 .

Responsibility of the Committee of Management for the financial report

The Committee of Management of the Guild is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the Fair Work (Registered Organisations) Act 2009. This responsibility includes such internal controls as the Committee of Management determine are necessary to enable the preparation of the financial report to be free from material misstatement, whether due to fraud or error. The Committee of Management also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

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 whether the financial report is free from 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.

GrantThornton

In making those risk assessments, the auditor considers internal control relevant to the Guild's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Guild's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Committee of Management, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the applicable independence requirements of the Accounting Professional and Ethical Standards Board.

Auditor's Opinion

In our opinion,

1 The financial report of Pharmacy Guild of Australia (Queensland Branch)

   a presents fairly, in all material respects, the Guild's and consolidated entity's financial position as at 30 June 2011 and of their performance and cash flows for the year then ended ; and

   b complies with Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of the RAO Schedule of the Fair Work (Registered Organisations) Act 2009; and

2 The financial report also complies with International Financial Reporting Standards as disclosed in the notes to the financial statements.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

S G Hancox
Director – Audit & Assurance

Brisbane, Dated 7 September 2011