FairWork Commission

4 April 2014

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

Dear Mr Logan,

The Pharmacy Guild of Australia-Queensland Branch
Financial Report for the year ended 30 June 2013 [FR2013/177]

I acknowledge receipt of the financial report of The Pharmacy Guild of Australia-Queensland Branch. The documents were lodged with the Fair Work Commission on 11 October 2013.

The financial report has now been filed.

The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009* (RO Act) have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements.

Please note that the financial report for the year ending 30 June 2014 may be subject to an advanced compliance review.

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. The Fair Work Commission will confirm these concerns have been addressed prior to filing next year's report.

Revenue recognition

The Australian Accounting Standard *AASB 101 Presentation of Financial Statements* paragraph 117 and *AASB 118: Revenue* paragraph 35(a) requires that the entity must disclose the measurement basis or bases used in recognising revenue.

The accounting policy for membership subscriptions has not been disclosed.

Disclosure of provisions for employee benefits for office holders and other employees

The Reporting Guidelines require either the statement of financial position or the notes to disclose any liability for employee benefits in respect of office holders and other employees (items 21(c) and 21 (d)). Provisions for annual leave, long service leave, separation and redundancies and other employee provisions must be separately disclosed.

Note 18 discloses provisions for annual leave and long service leave with respect to office holders and other employees but does not separately disclose provisions for separation and redundancies and other employee provisions. Please note that item 22 of the Reporting Guidelines states that if the activities identified in item 21 have not occurred in the reporting period, a statement to this effect must be included in the notes to the GPFR. I note that no such disclosure has been made with respect to provisions for separation and redundancies and other employee provisions.

Activities under Reporting Guideline not disclosed

Item 16 of the Reporting Guidelines states that if the activities identified in item 15 have not occurred in the reporting period, a statement to this effect must be included in the notes to the GPFR. I note that no such disclosure has been made with respect to item 15(b), capitation fees received from another reporting unit of the organisation.

If you have any queries regarding this letter, please contact me on (03) 8661 7942 or via email at rebecca.lee@fwc.gov.au.

Yours sincerely,

Rebecca Lee
Regulatory Compliance Branch

The Pharmacy Guild of Australia

Designated Officer's Certificate

s268(c) *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 with this certificate 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 16th of September 2013; and
- that the full report was presented to a general meeting of members of the reporting unit on 8th October 2013; in accordance with section 266 (1) of the *Fair Work (Registered Organisations) Act 2009*.

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Signature

Date: 8 October 2013

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

ABN 87 076 197 623

Financial Report
For the year ended 30 June 2013

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 2013 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 Fair Work (Registered Organisations) Act 2009 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 Fair Work (Registered Organisations) Act 2009; and

(iii) Section 272 of the Fair Work (Registered Organisations) Act 2009 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 2013, to which this report relates, the number of members of the organisation was 789 including Honorary Life Members;

(ii) As at 30 June 2013, the total number of employees employed by the reporting entity was 42.

(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 Sclavos
T Logan	R Xynias
S Holzberger	

Branch Committee

M Bellgrove	T Logan
M Calanna	H Luu
M Farrell	C Owen
G Fotinos	K Sclavos
D Holmes	T Twomey
S Holzberger	R Xynias

(iv) During the reporting period the following members of the committee of management of The Pharmacy Guild of Australia (Queensland Branch) were directors of Guild Trustee Services Pty Limited, the trustee for the Guild Retirement Fund, which includes GuildSuper and GuildPension:

T.J. Logan (appointed 1 January 2013)

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

(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).

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TIMOTHY JOHN LOGAN

Date:

Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2013

	Notes	Consolidated Entity		Parent Entity	
		2013	2012	**2013**	2012
		$	$	**$**	$
Revenue	3	**9,725,280**	9,180,067	**10,186,128**	9,869,662
Employee benefit expenses	4c	**(3,001,155)**	(3,125,193)	**(3,001,155)**	(3,125,193)
Depreciation and amortisation expense		**(315,368)**	(338,912)	**(142,991)**	(165,352)
Finance costs	4a	**(387,074)**	(405,953)	**(387,074)**	(405,953)
Other expenses	4a	**(5,181,064)**	(5,232,359)	**(6,540,648)**	(5,814,647)
Profit before income tax	4	**840,619**	77,650	**114,260**	358,517
Income tax expense	5	**-**	(10,331)	**-**	-
Profit after income tax		**840,619**	67,319	**114,260**	358,517
Other comprehensive income		**-**	-	**-**	-
Total comprehensive income for the year		**840,619**	67,319	**114,260**	358,517

Statement of Financial Position

as at 30 June 2013

	Notes	Consolidated Entity 2013 $	Consolidated Entity 2012 $	Parent Entity 2013 $	Parent Entity 2012 $
Assets					
Current					
Cash and cash equivalents	8	**3,508,037**	4,023,613	**3,483,522**	4,014,936
Trade and other receivables	9	**2,425,328**	2,916,380	**3,012,617**	3,502,246
Other current assets	10	**331,894**	351,899	**325,227**	346,519
Total Current Assets		**6,265,259**	7,291,892	**6,821,366**	7,863,701
Non-Current					
Trade and other receivables	9	**-**	-	**-**	1,579,529
Other financial assets	11	**-**	-	**6,275,478**	6,275,666
Property, plant and equipment	13	**5,903,367**	6,179,049	**439,770**	537,890
Deferred tax assets	17	**-**	-	**-**	-
Intangible assets	14	**-**	672,448	**-**	-
Total Non-Current Assets		**5,903,367**	6,851,497	**6,715,248**	8,393,085
Total Assets		**12,168,626**	14,143,389	**13,536,614**	16,256,786
Liabilities					
Current					
Trade and other payables	15	**4,385,326**	5,064,080	**4,966,217**	5,631,935
Financial liabilities	16	**-**	-	**-**	-
Current tax liabilities	17	**-**	(32,086)	**-**	-
Short-term provisions	18	**352,789**	337,636	**352,789**	337,636
Total Current Liabilities		**4,738,115**	5,369,630	**5,319,006**	5,969,571
Non-Current					
Financial liabilities	16	**2,797,000**	4,997,000	**2,797,000**	4,997,000
Deferred tax liabilities	17	**-**	-	**-**	-
Long-term provisions	18	**70,388**	54,255	**70,388**	54,255
Total Non-Current Liabilities		**2,867,388**	5,051,255	**2,867,388**	5,051,255
Total Liabilities		**7,605,503**	10,420,885	**8,186,394**	11,020,826
Net Assets		**4,563,123**	3,722,504	**5,350,220**	5,235,960
Equity					
Reserves	19	**-**	-	**-**	-
Retained earnings		**4,563,123**	3,722,504	**5,350,220**	5,235,960
Total Equity		**4,563,123**	3,722,504	**5,350,220**	5,235,960

Statement of Changes in Equity

for the year ended 30 June 2013

	Notes	Retained Earnings $	Asset Revaluation Reserve $	Total $
Consolidated entity				
Balance at 1 July 2011		3,655,185	-	**3,655,185**
Transfer reserves		-	-	**-**
Total comprehensive income		67,319	-	**67,319**
Balance at 30 June 2012		3,722,504	-	**3,722,504**
Balance at 1 July 2012		3,722,504	-	**3,722,504**
Transfer reserves		-	-	**-**
Total comprehensive income		840,619	-	**840,619**
Balance at 30 June 2013		4,563,123	-	**4,563,123**
Parent entity				
Balance at 1 July 2011		4,877,443	-	**4,877,443**
Transfer reserves		-	-	**-**
Total comprehensive income		358,517	-	**358,517**
Balance at 30 June 2012		5,235,960	-	**5,235,960**
Balance at 1 July 2012		5,235,960	-	**5,235,960**
Transfer reserves		-	-	**-**
Total comprehensive income		114,260	-	**114,260**
Balance at 30 June 2013		5,350,220	-	**5,350,220**

Statement of Cash Flows

for the year ended 30 June 2013

		Consolidated Entity		Parent Entity	
	Notes	**2013**	2012	**2013**	2012
		$	$	**$**	$
Cash Flow from Operating Activities					
Receipts from members and customers		**10,262,628**	10,143,000	**10,261,089**	9,889,035
Payments to suppliers and employees		**(8,347,356)**	(8,829,132)	**(8,792,033)**	(9,116,712)
Interest received		**183,227**	153,053	**183,223**	295,505
Finance costs		**(387,074)**	(405,953)	**(387,074)**	(405,953)
Distributions received		**-**	-	**460,968**	471,814
Income tax paid		**32,086**	-	**-**	-
Net cash provided by (used in) operating activities	22a	**1,743,511**	1,060,968	**1,726,173**	1,133,689
Cash Flow from Investing Activities					
Proceeds from sale of property, plant and equipment		**10**	58,772	**-**	65,421
Proceeds from sale of intangible assets		**-**	-	**-**	-
Purchase of available-for-sale investments		**-**	-	**188**	(3,637)
Payment for property, plant and equipment		**(59,097)**	(187,397)	**(57,775)**	(169,185)
Payments for deferred development costs		**-**	-	**-**	-
Net cash provided by (used in) investing activities		**(59,087)**	(128,625)	**(57,587)**	(107,401)
Cash Flow from Financing Activities					
Payments to related parties		**-**	-	**-**	-
Repayment of borrowings		**(2,200,000)**	-	**(2,200,000)**	-
Net cash provided by (used in) financing activities		**(2,200,000)**	-	**(2,200,000)**	-
Net increase/(decrease) in cash held		**(515,576)**	932,343	**(531,414)**	1,026,288
Cash at beginning of year	8	**4,023,613**	3,091,270	**4,014,936**	2,988,648
Cash at end of year	8	**3,508,037**	4,023,613	**3,483,522**	4,014,936

Notes to the Financial Statements

for the year ended 30 June 2013

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. 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 4th September 2013.

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 2013

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.

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 2013

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 profit or loss and other 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 2013

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 profit or loss and other 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.

Notes to the Financial Statements
for the year ended 30 June 2013

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 2013

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 or profit or loss and other 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 statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows 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 2013

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. Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Group

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective, and have not been adopted early by the Group. Management anticipates that all of the relevant pronouncements will be adopted in the Group's accounting policies for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Group's financial statements is provided below.

Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Group's financial statements.

AASB 9 Financial Instruments
Effective date for entity: 1 January 2013
The AASB aims to replace AASB 139 Financial Instruments: Recognition and Measurement in its entirety. The replacement standard (AASB 9) is being issued in phases. To date, the chapters dealing with recognition, classification, measurement and de-recognition of financial assets and liabilities have been issued. These chapters are effective for annual periods beginning 1 January 2013. Further chapters dealing with impairment methodology and hedge accounting are still being developed.
Impact: Minimal impact expected

AASB 13 Fair Value Measurement
Effective date for entity: 1 January 2013
AASB 13 does not affect which items are required to be fair-valued, but clarifies the definition of fair value and provides related guidance and enhanced disclosures about fair value measurements.
Impact: The impact of AASB 13 has not yet been determined

AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements
Effective date for entity: 1 July 2013
AASB 2011-4 makes amendments to AASB 124 Related Party Disclosures to remove individual key management personnel disclosure requirements, to achieve consistency with the international equivalent (which includes requirements to disclose aggregate (rather than individual) amounts of KMP compensation), and remove duplication with the Corporations Act 2011.
Impact: No significant impact expected

Notes to the Financial Statements
for the year ended 30 June 2013

1. Statement of significant accounting policies (continued)

o. Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Group (continued)

Amendments to AASB 1053: Application of Tiers of Australian Accounting Standards
Effective date for entity: 1 July 2013
AASB 1053 establishes a differential financial reporting framework consisting of two Tiers of reporting requirements for preparing general purpose financial statements:
a) Tier 1: Australian Accounting Standards; and
b) Tier 2: Australian Accounting Standards - Reduced Disclosure Requirements.
Tier 2 comprises the recognition, measurement and presentation requirements of Tier 1 and substantially reduced disclosures corresponding to those requirements.
The following entities apply Tier 1 requirements in preparing general purpose financial statements:
a) for-profit entities in the private sector that have public accountability; and
b) the Australian Government and State, Territory and Local Governments.
The following entities apply either Tier 2 or Tier 1 requirements in preparing general purpose financial statements:
a) for-profit private sector entities that do not have public accountability;
b) all not-for-profit private sector entities; and
c) public sector entities other than the Australian Government and State, Territory and Local Governments.
Consequential amendments to other standards to implement reduced disclosure requirements were introduced by AASB 2010-2.
Impact: No significant impact expected

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 unit, or a 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)."

Notes to the Financial Statements
for the year ended 30 June 2013

3. Revenue

	Consolidated Entity		Parent Entity	
	2013	2012	**2013**	2012
	$	$	**$**	$
Commissions received	**565,263**	643,221	**565,263**	643,221
Commonwealth Government project funding	**-**	-	**-**	-
Distributions received	**-**	-	**460,968**	471,814
Event and conference income	**4,002,473**	3,504,476	**4,002,473**	3,504,476
Interest received	**183,227**	153,053	**183,223**	295,505
Member subscriptions	**1,631,678**	1,639,593	**1,631,678**	1,639,593
National Secretariat Fighting Fund	**359,879**	356,352	**359,879**	356,352
National Secretariat project funding	**1,038,759**	786,951	**1,038,759**	786,951
Queensland Health project funding	**290,176**	273,280	**290,176**	273,280
Sales revenue	**732,747**	589,083	**732,747**	664,412
Training course fees	**921,078**	1,234,058	**920,962**	1,234,058
Total revenue	**9,725,280**	9,180,067	**10,186,128**	9,869,662
Distributions revenue from:				
- controlled entity:				
The Guild Properties (Queensland) Unit Trust	**-**	-	**460,968**	471,814
Total distribution revenue	**-**	-	**460,968**	471,814
Interest revenue from:				
- external parties	**183,227**	153,053	**183,223**	152,001
- controlled entity	**-**	-	**-**	143,504
	183,227	153,053	**183,223**	295,505

4. Profit for the Year

	Consolidated Entity		Parent Entity	
	2013	2012	**2013**	2012
	$	$	**$**	$
Total comprehensive income has been determined after:				
a. Expenses				
Finance costs:				
- external interest	**387,074**	405,953	**387,074**	405,953

Notes to the Financial Statements
for the year ended 30 June 2013

4. Profit for the Year (continued)

	Consolidated Entity 2013 $	Consolidated Entity 2012 $	Parent Entity 2013 $	Parent Entity 2012 $
Other expenses:				
Advertising and promotions expenses	**55,499**	72,663	**55,499**	69,968
Bank and card charges	**53,714**	51,109	**53,144**	50,303
Branch committee expenses	**13,616**	12,866	**13,616**	12,866
Cleaning expenses	**47,421**	44,108	**47,421**	44,108
Computer costs	**20,281**	100,296	**20,281**	34,461
Conference and seminar attendance expenses	**34,223**	30,999	**34,223**	30,999
Consultancy expenses - other	**115,126**	52,713	**115,126**	52,713
Contract staff	**54,534**	146,399	**54,534**	63,583
Dispatch expenses	**75,836**	73,891	**75,836**	73,559
Donations	**3,702**	1,280	**3,702**	1,280
Events expenses:				
- Catering and dinner	**928,601**	1,129,991	**928,601**	1,129,991
- Commissions paid	**43,578**	51,549	**43,578**	51,549
- Consultancy expenses	**45,906**	46,143	**45,906**	46,143
- Display and venue expenses	**372,664**	300,219	**372,664**	300,219
- Printing and stationery	**80,120**	84,088	**80,120**	84,088
- Speaker costs	**75,690**	77,171	**75,690**	77,171
- Technical expenses	**203,584**	224,509	**203,584**	224,509
Impairment expense	**672,546**	465,316	**1,579,627**	782,194
Insurance expenses	**77,001**	82,881	**69,505**	61,878
Legal costs	**2,750**	28,914	**2,750**	3,397
Meals expenses	**47,058**	49,705	**47,058**	49,027
Meeting expenses - AGM	**10,096**	9,649	**10,096**	9,649
Motor vehicle expenses	**48,980**	69,391	**48,980**	69,391
National Secretariat dues expense	**823,419**	827,216	**823,419**	827,216
National Secretariat Fighting Fund	**359,879**	356,352	**359,879**	356,352
Net loss on disposal of fixed assets	**3,289**	(2,147)	**(1,708)**	(3,218)
Printing and stationery - other	**100,657**	87,007	**100,657**	87,007
Power and light	**47,554**	35,364	**47,554**	35,364
Professional fees, including audit	**44,628**	55,834	**40,341**	37,518
Purchases - merchandise	**35,791**	47,013	**35,791**	47,013
Queensland Health Project materials	**26,783**	21,673	**26,783**	21,673
Rates	**28,043**	23,833	**-**	-
Rent	**-**	-	**540,000**	540,000
Repairs and maintenance	**15,693**	14,923	**15,693**	14,923
Security expenses	**15,235**	8,525	**15,235**	8,525
Sponsorship	**24,500**	27,864	**24,500**	27,864
Staff procurement	**1,250**	3,835	**1,250**	3,835
Subscriptions	**16,200**	9,109	**15,740**	8,655
Telephone and internet expenses	**75,061**	92,300	**75,061**	89,299
Travelling and fares expenses	**215,727**	217,132	**215,727**	215,871
Sundry expenses	**264,829**	200,676	**223,185**	173,704
Total other expenses	**5,181,064**	5,232,359	**6,540,648**	5,814,647

The Pharmacy Guild of Australia (Queensland Branch)
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Notes to the Financial Statements
for the year ended 30 June 2013

4. Profit for the Year (continued)

	Consolidated Entity 2013 $	Consolidated Entity 2012 $	Parent Entity 2013 $	Parent Entity 2012 $
Bad and doubtful debts:				
- trade receivables	**-**	-	**-**	-
Net loss on disposal of:				
- property, plant and equipment	**-**	-	**-**	-
Defined contribution plan:				
- superannuation expense	**248,603**	251,534	**248,603**	251,534

b. Significant revenue and expenses

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

	Consolidated Entity 2013 $	Consolidated Entity 2012 $	Parent Entity 2013 $	Parent Entity 2012 $
Gain on the sale of intangible assets	**-**	-	**-**	-

c. Employee benefits expense

	Consolidated Entity 2013 $	Consolidated Entity 2012 $	Parent Entity 2013 $	Parent Entity 2012 $
Amounts paid to Office Holders				
- wages and salaries	**267,620**	267,040	**267,620**	267,040
- superannuation	**35,425**	32,913	**35,425**	32,913
- leave and other entitlements	**27,174**	24,195	**27,174**	24,195
- separation and redundancies	**-**	-	**-**	-
- payroll tax	**16,097**	16,307	**16,097**	16,307
- other employee expenses	**8,658**	19,164	**8,658**	19,164
	354,974	359,620	**354,974**	359,620
Amounts paid to all other employees				
- wages and salaries	**2,010,454**	2,093,633	**2,010,454**	2,093,633
- superannuation	**213,178**	218,623	**213,178**	218,623
- leave and other entitlements	**242,095**	236,107	**242,095**	236,107
- separation and redundancies	**29,935**	64,944	**29,935**	64,944
- payroll tax	**123,440**	132,332	**123,440**	132,332
- other employee expenses	**27,079**	19,935	**27,079**	19,935
	2,646,181	2,765,573	**2,646,181**	2,765,573
Total employee benefits expense	**3,001,155**	3,125,193	**3,001,155**	3,125,193

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

a. The components of tax expense comprise:

	Note	Consolidated Entity 2013 $	Consolidated Entity 2012 $	Parent Entity 2013 $	Parent Entity 2012 $
Current tax		**-**	(213,753)	**-**	-
Deferred tax	17	**-**	10,331	**-**	-
Under / (Over) provision in prior year		**-**	-	**-**	-
Losses not brought to accounts		**-**	213,753	**-**	-
		-	10,331	**-**	-

Notes to the Financial Statements

for the year ended 30 June 2013

5. Income tax expense (continued)

	Consolidated Entity 2013 $	2012 $	Parent Entity 2013 $	2012 $
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% (2012: 30%)	**252,186**	23,295	**34,278**	107,555
Add:				
Tax effect of:				
- non-deductible expenses	**-**	-	**-**	-
Less:				
Tax effect of:				
- exempt income and expenses	**252,186**	200,789	**34,278**	107,555
- over / (under) provision in prior year	**-**	-	**-**	-
- losses not brought to account	**-**	(213,753)	**-**	-
Income tax expense attributable to entity	**-**	10,331	**-**	-
The applicable weighted average effective tax rates are as follows:	**0.00%**	13.30%	**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 2013 $	2012 $	Parent Entity 2013 $	2012 $
Short-term employee benefits	**303,452**	310,399	**303,452**	310,399
Post-employment benefits	**35,425**	32,913	**35,425**	32,913
	338,877	343,312	**338,877**	343,312

7. Auditors' remuneration

	Consolidated Entity 2013 $	2012 $	Parent Entity 2013 $	2012 $
Remuneration of auditor of the parent entity for:				
- auditing of the financial report	**35,000**	37,250	**35,000**	32,150
- preparation of the financial report	**4,000**	6,800	**4,000**	3,800
- taxation services	**5,700**	9,000	**1,500**	1,500
	44,700	53,050	**40,500**	37,450

Notes to the Financial Statements

for the year ended 30 June 2013

8. Cash and cash equivalents

		Consolidated Entity 2013 $	2012 $	Parent Entity 2013 $	2012 $
Cash at bank and on hand		**3,508,037**	4,023,613	**3,483,522**	4,014,936
		3,508,037	4,023,613	**3,483,522**	4,014,936
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:					
Cash and cash equivalents	23a	**3,508,037**	4,023,613	**3,483,522**	4,014,936

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 2013 $	2012 $	Parent Entity 2013 $	2012 $
Current					
Trade receivables		**2,150,731**	2,346,873	**2,150,731**	2,346,873
		2,150,731	2,346,873	**2,150,731**	2,346,873
Accrued revenue		**17,586**	26,465	**17,586**	26,465
Sundry debtors		**5,813**	200	**5,813**	200
Amounts receivable from:					
- Ultimate parent entity					
Pharmacy Guild of Australia		**27,959**	272,976	**27,959**	232,265
- Controlled entities					
The Guild Properties (Queensland) Unit Trust		**-**	-	**587,289**	585,768
InnovationRX International Pty Ltd		**-**	-	**519,321**	519,321
Less: Provision for impairment of IRX Loan		**-**	-	**(519,321)**	(519,223)
- Other related parties of ultimate parent entity					
Pharmacy Guild of Australia Branches					
- SA Branch		**-**	-	**-**	-
- WA Branch		**-**	-	**-**	-
- VIC Branch		**16,915**	119,387	**16,915**	119,387
- NSW Branch		**1,819**	-	**1,819**	993
- TAS Branch		**-**	-		-

Notes to the Financial Statements
for the year ended 30 June 2013

9. Trade and other receivables (continued)

	Notes	Consolidated Entity 2013 $	2012 $	Parent Entity 2013 $	2012 $
- Other related parties of ultimate parent entity (continued)					
Guild Group		**149,744**	135,627	**149,744**	135,627
Gold Cross Products & Services Pty Ltd		**45,605**	3,500	**45,605**	43,218
FredIT		**9,156**	-	**9,156**	-
Guild Links		**-**	11,352	**-**	11,352
		274,597	569,507	**861,886**	1,155,373
		2,425,328	2,916,380	**3,012,617**	3,502,246
Non-Current					
Amounts receivable from:					
- Controlled entities					
InnovationRX International Pty Ltd		**-**	-	**1,842,500**	1,842,500
Less: Provision for impairment		**-**	-	**(1,842,500)**	(262,971)
		-	-	**-**	1,579,529

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. In the 2013 financial year there has been impairment write downs in loan balance in relation to loans made to InnovationRX International Pty Limited. $519,321 was impaired against the current portion of the loan and $1,842,500 against the non-current portion of the loan balance in the parent entity. Subsequent to year end the Branch Committee has agreed to wind up InnovationRX Pty Ltd and it's controlled entities. As a result, all amounts receivable from InnovationRx International Pty Ltd and its controlled entities as at 30 June 2013 have been fully provided for by management.

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 2013 $	2012 $	Parent Entity 2013 $	2012 $
Trade receivables				
Within initial trade terms	**832,366**	1,287,395	**832,366**	1,287,395
Past due receivables (but not impaired):				
Overdue 1 - 29 days	**1,212,183**	1,018,625	**1,212,183**	1,018,625
Overdue 30 - 59 days	**45,493**	9,149	**45,493**	9,149
Overdue > 60 days	**60,689**	31,704	**60,689**	31,704
Gross amount	**2,150,731**	2,346,873	**2,150,731**	2,346,873

Notes to the Financial Statements
for the year ended 30 June 2013

9. Trade and other receivables (continued)

	Notes	Consolidated Entity 2013 $	2012 $	Parent Entity 2013 $	2012 $
Other receivables					
Within initial trade terms		**246,707**	569,507	**835,815**	2,215,581
Past due receivables (but not impaired):					
Overdue 1 - 29 days		**-**	-		-
Overdue 30 - 59 days		**-**	-		-
Overdue > 60 days		**-**	-		519,321
		246,707	569,507	**835,815**	2,734,902

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

	Notes	Consolidated Entity 2013 $	2012 $	Parent Entity 2013 $	2012 $
Trade and other receivables					
Total current		**2,425,328**	2,916,380	**3,012,617**	3,502,246
Total non-current		**-**	-	**-**	1,579,529
Financial assets	23	**2,425,328**	2,916,380	**3,012,617**	5,081,775

c. Collateral pledged

A floating charge over trade and other receivables has been provided for certain debts. Refer to Note 16 for further details.

10. Other assets

	Consolidated Entity 2013 $	2012 $	Parent Entity 2013 $	2012 $
Current				
Prepayments - expense	**331,894**	351,899	**325,227**	346,519
	331,894	351,899	**325,227**	346,519

Notes to the Financial Statements
for the year ended 30 June 2013

11. Other financial assets

	Note	Consolidated Entity 2013 $	Consolidated Entity 2012 $	Parent Entity 2013 $	Parent Entity 2012 $
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**	2
- units in controlled unit trust The Guild Properties (Queensland) Unit Trust		**-**	-	**6,275,476**	6,275,664
	23	**-**	-	**6,275,478**	6,275,666

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 2013.

12. Controlled entities

	Country of Incorporation	Percentage Owned (%) 2013	Percentage Owned (%) 2012
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%**	100%
InnovationRX Australia Pty Ltd	Australia	**100%**	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 2013

13. Property, plant and equipment

	Consolidated Entity 2013 $	Consolidated Entity 2012 $	Parent Entity 2013 $	Parent Entity 2012 $
Non-Current				
Freehold land - at cost	**940,000**	940,000	**-**	-
Buildings - at cost	**5,335,476**	5,335,664	**-**	-
less: Accumulated depreciation	**(811,879)**	(651,759)	**-**	-
less: Provision for impairment	**-**	-	**-**	-
	4,523,597	4,683,905	**-**	-
Buildings under construction - at cost	**-**	-	**-**	-
Total land and buildings	**5,463,597**	5,623,905	**-**	-
Plant and equipment - at revaluation	**-**	2,821	**-**	2,821
less: Accumulated depreciation	**-**	(2,821)	**-**	(2,821)
Plant and equipment - at cost	**1,052,685**	1,086,508	**1,052,685**	1,057,858
less: Accumulated depreciation	**(612,915)**	(531,364)	**(612,915)**	(519,968)
	439,770	555,144	**439,770**	537,890
Total property, plant and equipment	**5,903,367**	6,179,049	**439,770**	537,890

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).

Notes to the Financial Statements
for the year ended 30 June 2013

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 2013

	Freehold Land	Buildings	Building Under Construct-ion	Plant and Equipment	TOTAL
Balance at beginning of the year	940,000	4,683,905	-	555,144	6,179,049
Additions	-	1,325	-	57,832	59,157
Transfers	-	-	-	-	-
Disposals	-	(1,512)	-	(17,958)	(19,470)
Depreciation expense	-	(160,120)	-	(155,248)	(315,368)
Carrying amount at the end of the year	940,000	4,523,598	-	439,770	5,903,368

30 June 2012

	Freehold Land	Buildings	Building Under Construct-ion	Plant and Equipment	TOTAL
Balance at beginning of the year	940,000	4,840,840	-	608,496	6,389,336
Additions	-	3,636	-	183,761	187,397
Transfers	-	-	-	-	-
Disposals	-	-	-	(58,773)	(58,773)
Depreciation expense	-	(160,571)	-	(178,340)	(338,912)
Carrying amount at the end of the year	940,000	4,683,905	-	555,144	6,179,049

Notes to the Financial Statements
for the year ended 30 June 2013

14. Intangible assets

	Consolidated Entity 2013 $	Consolidated Entity 2012 $	Parent Entity 2013 $	Parent Entity 2012 $
Development costs	-	672,448	-	-

Reconciliation of development costs

	Consolidated Entity 2013 $	Consolidated Entity 2012 $	Parent Entity 2013 $	Parent Entity 2012 $
Balance at the beginning of year	672,448	1,134,822	-	-
Cost of developments		2,942	-	-
Disposal of intangible assets		-	-	-
Impairment expense	(672,448)	(465,316)	-	-
Closing carrying value at 30 June	-	672,448	-	-

The Consolidated Entity incurred impairment expenses of $672,448 (2012; $465,316) in the period as management deemed the carrying value of the development costs to be nil at 20/5/13 when all the IRX Group assets (including computer equipment and intangibles excluding cash) were sold to Guildlink, a related party.

15. Payables

	Note	Consolidated Entity 2013 $	Consolidated Entity 2012 $	Parent Entity 2013 $	Parent Entity 2012 $
Current					
Unsecured liabilities					
Trade payables		48,240	71,893	48,240	71,662
Sundry payables		202,206	280,421	190,797	268,607
Accrued expenses		94,061	102,629	92,361	88,529
Income in advance - member subscriptions		2,127,819	2,171,108	2,127,819	2,171,108
Income in advance - unexpended funds/grant		9,927	332,477	9,927	332,477
Income in advance - other		1,898,074	2,099,586	1,898,074	2,099,586
Other related parties - Gold Cross		-	-	-	-
Amounts owing to:					
- Ultimate parent entity					
Pharmacy Guild of Australia		2,199	5,966	2,199	5,966
Pharmacy Guild of Australia - NSW		2,800	-	2,800	-
- Controlled entities					
InnovationRX International Pty Ltd		-	-	-	-
The Guild Properties (Queensland) Unit Trust		-	-	594,000	594,000
	15a	4,385,326	5,064,080	4,966,217	5,631,935

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

	Note	Consolidated Entity 2013 $	Consolidated Entity 2012 $	Parent Entity 2013 $	Parent Entity 2012 $
Trade and other payables - all current		4,385,326	5,064,080	4,966,217	5,631,935
Financial liabilities as trade and other payables	23	4,385,326	5,064,080	4,966,217	5,631,935

Notes to the Financial Statements
for the year ended 30 June 2013

16. Financial liabilities

		Consolidated Entity		Parent Entity	
		2013	2012	**2013**	2012
Current		**$**	$	**$**	$
Secured					
Bank loan		**-**	-	**-**	-
		-	-	-	-
Non-Current					
Secured					
Bank loan	16a	**-**	-	**-**	-
Bank commercial bills	16a,c	**2,797,000**	4,997,000	**2,797,000**	4,997,000
		2,797,000	4,997,000	**2,797,000**	4,997,000
a. Total current and non-current secured liabilities:					
Bank loan		**-**	-	**-**	-
Commercial bank bills	23	**2,797,000**	4,997,000	**2,797,000**	4,997,000
		2,797,000	4,997,000	**2,797,000**	4,997,000
b. The carrying amounts of assets pledged as security are:					
All assets					
TOTAL ASSETS		**12,168,626**	14,143,389	**13,536,614**	16,256,786

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).

The commercial bills will mature on the 28/3/14 and bears fixed interest rate at 9.05% payable quarterly in advance.

17. Tax

	Consolidated Entity		Parent Entity	
	2013	2012	**2013**	2012
	$	$	**$**	$
a. Liabilities				
Current				
Income tax payable	**-**	(32,086)	**-**	-

The Pharmacy Guild of Australia (Queensland Branch)
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17. Tax (continued)

Non-Current

Deferred tax liability	**Receivables**	**Other**	**Total**
	$	**$**	$
As at 1 July 2011	-	-	**-**
Charged to income	-	-	**-**
Charged to tax payable	-	-	**-**
As at 1 July 2012	-	-	**-**
Charged to income	-	-	**-**
Charged to tax payable	-	-	**-**
As at 30 June 2013	-	-	**-**

Deferred tax asset	**Tax assets**	**Payables**	**Other**	**Total**
	$	**$**	**$**	$
As at 1 July 2011	5,606	4,725	-	**10,331**
Charged to income	(5,606)	(4,725)	-	**(10,331)**
Charged to tax payable	-	-	-	**-**
As at 1 July 2012	-	-	-	**-**
Charged to income	-	-	-	**-**
Charged to tax payable	-	-	-	**-**
As at 30 June 2013	-	-	-	**-**

18. Provisions

	Consolidated Entity		Parent Entity	
	2013	2012	**2013**	2012
	$	$	**$**	$
Current				
Employee benefits - annual leave	**150,715**	150,589	**150,715**	150,589
Employee benefits - long service leave	**202,074**	187,047	**202,074**	187,047
	352,789	337,636	**352,789**	337,636
Non-current				
Employee benefits - long service leave	**70,388**	54,255	**70,388**	54,255
Total employee benefits	**423,177**	391,891	**423,177**	391,891

	Long Service Leave	Annual Leave	**Total**
	$	$	**$**
Opening balance at 1 July 2012	241,302	150,589	**391,891**
Additional provisions	44,816	224,452	**269,268**
Amounts used	(13,656)	(224,326)	**(237,982)**
Balance at 30 June 2013	272,462	150,715	**423,177**

Notes to the Financial Statements

for the year ended 30 June 2013

18. Provisions (continued)

	Long Service Leave	Annual Leave	**Total**
	$	$	**$**
Reconciliation of employee benefits			
Amounts payable to Office Holders	69,231	13,990	**83,221**
Amounts payable to all other employees	203,231	136,725	**339,956**
	272,462	150,715	**423,177**

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**	
	2013	2012	**2013**	2012
	$	$	**$**	$
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 2013

22. Cash flow information

	Consolidated Entity		**Parent Entity**	
	2013	2012	**2013**	2012
	$	$	**$**	$
a. Reconciliation of cash flow from operating activities with profit after income tax				
Profit after income tax	**840,619**	67,319	**114,260**	358,517
Non-cash flows in profit:				
- Depreciation and amortisation expense	**315,368**	338,912	**142,991**	165,352
- Impairment expense	**672,448**	462,374	**-**	-
- (Profit) / loss on disposal of property,	**19,413**	-		
plant and equipment and intangibles	**-**	-	**-**	-
- Impairment of related party loans	**-**	-	**1,592,433**	782,194
- Other non-cash	**-**	-	**-**	-
Change in assets and liabilities:				
- (Increase)/decrease in trade and other receivables	**511,045**	(1,478,646)	**510,921**	(1,800,261)
- Increase/(decrease) in trade and other payables	**(678,754)**	1,633,143	**(665,718)**	1,600,352
- Increase/(decrease) in income taxes payable	**32,086**	-	**-**	-
- Increase/(decrease) in deferred taxes payable	**-**	10,331	**-**	-
- Increase/(decrease) in provisions	**31,286**	27,535	**31,286**	27,535
Cash flows from operations	**1,743,511**	1,060,968	**1,726,173**	1,133,689

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:

		Consolidated Entity		**Parent Entity**	
		2013	2012	**2013**	2012
		$	$	**$**	$
Financial Assets					
Cash and cash equivalents	8	**3,508,037**	4,023,613	**3,483,522**	4,014,936
Loans and receivables	9	**2,425,328**	2,916,380	**3,012,617**	5,081,775
Available for sale financial assets	11	**-**	-	**6,275,478**	6,275,666
		5,933,365	6,939,993	**12,771,617**	15,372,377
Financial Liabilities					
Financial liabilities at amortised cost:					
Trade and other payables	15	**4,385,326**	5,064,080	**4,966,217**	5,631,935
Other financial liabilities	16	**2,797,000**	4,997,000	**2,797,000**	4,997,000
		7,182,326	10,061,080	**7,763,217**	10,628,935

Notes to the Financial Statements
for the year ended 30 June 2013

23. Financial risk management (continued)

Financial risk management policies

The committee's overall risk management strategy seeks to assist the group 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 2013 (2012: 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.

As at 30 June 2013, the group is exposed to changes in market interest rates through cash at bank held at variable interest rates. Borrowings are at fixed interest rates. 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 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 2013

23. Financial risk management (continued)

Consolidated entity

2013	Within 1 Year	1-5 Years	Over 5 Years	Total
	$	$	$	$
Financial liabilities due for payment				
Trade and other payables	4,385,326	-	-	4,385,326
Bank bills and loans	-	2,797,000	-	2,797,000
Total expected outflows	4,385,326	2,797,000	-	7,182,326
Financial assets – cash flows realisable				
Cash and cash equivalents	3,508,037	-	-	3,508,037
Trade and other receivables	2,425,328	-	-	2,425,328
Other investments	-	-	-	-
Total anticipated inflows	5,933,365	-	-	5,933,365
Net (outflow) / inflow on financial instruments	**1,548,039**	(2,797,000)	-	**(1,248,961)**

Consolidated entity

	Within 1 Year	1-5 Years	Over 5 Years	Total
	$	$	$	$
2012				
Financial liabilities due for payment				
Trade and other payables	5,063,849	-	-	5,063,849
Bank bills and loans	-	4,997,000	-	4,997,000
Total expected outflows	5,063,849	4,997,000	-	10,060,849
Financial assets – cash flows realisable				
Cash and cash equivalents	4,023,613	-	-	4,023,613
Trade and other receivables	2,957,695	-	-	2,957,695
Total anticipated inflows	6,981,308	-	-	6,981,308
Net (outflow) / inflow on financial instruments	**1,917,459**	**(4,997,000)**	**-**	**(3,079,535)**

Notes to the Financial Statements
for the year ended 30 June 2013

23. Financial risk management (continued)

Parent entity

	Within 1 Year	1-5 Years	Over 5 Years	Total
	$	$	$	$
2013				
Financial liabilities due for payment				
Trade and other payables	4,966,217	-	-	4,966,217
Bank bills and loans	-	2,797,000	-	2,797,000
Total expected outflows	4,966,217	2,797,000	-	7,763,217
Financial assets – cash flows realisable				
Cash and cash equivalents	3,483,522	-	-	3,483,522
Trade and other receivables	2,974,489	-	-	2,974,489
Other investments	-	-	-	-
Total anticipated inflows	6,458,011	-	-	6,458,011
Net (outflow) / inflow on financial instruments	**1,491,794**	(2,797,000)	-	**(1,305,206)**

Parent entity

	Within 1 Year	1-5 Years	Over 5 Years	Total
	$	$	$	$
2012				
Financial liabilities due for payment				
Trade and other payables	5,631,561	-	-	5,631,561
Bank bills and loans	-	4,997,000	-	4,997,000
Total expected outflows	5,631,561	4,997,000	-	10,628,561
Financial assets – cash flows realisable				
Cash and cash equivalents	4,014,936	-	-	4,014,936
Trade and other receivables	3,513,598	1,579,675	-	5,093,273
Other investments	-	-	6,272,528	6,272,528
Total anticipated inflows	7,528,534	1,579,675	6,272,528	15,380,737
Net (outflow) / inflow on financial instruments	**1,896,973**	**(3,417,325)**	**6,257,528**	**4,752,176**

Notes to the Financial Statements
for the year ended 30 June 2013

23. Financial risk management (continued)

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 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 Branch Committee 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 2013 (2012: 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 2013 and 30 June 2012 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**	
		2013	2012	**2013**	2012
		$	$	**$**	$
Cash and cash equivalents					
- AA rated	8	**3,508,037**	4,023,613	**3,483,522**	4,014,936

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 2013

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 statement of financial position 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 2013				
+ / - 2% in interest rates	+/- 31,538	+/- 31,538	+/- 31,538	+/- 31,538
Year-ended 30 June 2012				
+ / - 2% in interest rates	+/- 56,610	+/- 56,610	+/- 93,008	+/- 93,008

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

24. Events after reporting date

Subsequent to year end, the Branch Committee determined that the operations of InnovationRX Pty limited and its controlled entities were to be wound up. InnovationRX Pty Ltd and its controlled entities form part of the Consolidated Entity, however in the 2013 the total revenue of these entities was $120 and all assets of the group were sold prior to year end. All loan balances disclosed in the Parent Entity have been fully provided for as at year end due to InnovationRx Pty Ltd not having the funds available to repay these balances prior to winding up.

As of the date of the signing of this report the director's were not aware of any further 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 Bellgrove
M Calanna
M Farrell
G Fotinos
D Holmes
S Holzberger
T Logan
H Luu
C Owen
K Sclavos
T Twomey
R Xynias

Notes to the Financial Statements

for the year ended 30 June 2013

25. Related party transactions (continued)

	Consolidated Entity		Parent Entity	
	2013	2012	**2013**	2012
	$	$	**$**	$
a. Ultimate Parent Entity				
Payment of membership subscriptions to The Pharmacy Guild of Australia	**1,184,965**	1,183,567	**1,184,965**	1,183,567
Amounts payable to parent entity by The Pharmacy Guild of Australia	**27,959**	272,976	27,957	232,265
Amounts payable by parent entity to The Pharmacy Guild of Australia	**2,199**	5,966	2,199	5,966
b. Controlled Entities				
Management fee paid by InnovationRX International Pty Ltd to parent entity	**-**	-	**-**	169,837
Intangible assets sold to InnovationRX International Pty Ltd by parent entity	**-**	-	**-**	-
Gain on sale recognised by parent entity	**-**	-	**-**	-
Loan advanced to Innovation RX International by parent entity at 7.95%p.a.	**-**	-	**2,361,821**	2,361,821
Interest received during the year on the loan by the parent entity	**-**	-	**-**	143,504
Amounts payable to parent entity by InnovationRX International Pty Ltd	**-**	-	**519,321**	-
Amounts payable by parent entity to InnovationRX International Pty Ltd	**-**	-	**-**	-
Rent paid by parent entity to Guild Properties Trust	**-**	-	**540,000**	540,000
Distribution received by parent entity from Guild Properties Trust	**-**	-	**460,968**	471,814
Amounts receivable by parent entity from Guild Properties Trust	**-**	-	**587,289**	585,768
Amounts payable by parent entity to Guild Properties Trust	**-**	-	**594,000**	594,000

Notes to the Financial Statements
for the year ended 30 June 2013

25. Related party transactions (continued)

	Consolidated Entity 2013 $	2012 $	Parent Entity 2013 $	2012 $
c. Companies associated with members of the Branch Committee				
Event management fees paid to a company controlled by Mr K Sclavos	**42,355**	41,143	**42,355**	41,143
d. Other Reporting Units related to the Ultimate Parent Entity				
Amounts received from Guild Group	**385,556**	232,265	**385,556**	232,265
Amounts payable to parent entity by Guild Group	**64,105**	135,627	**50,014**	135,627
Amounts received from Gold Cross Products & Services Pty Ltd	**73,711**	66,158	**73,711**	66,158
Amounts payable to parent entity by Gold Cross Products & Services Pty Ltd	**45,605**	43,218	**45,605**	43,218
Amounts received from GuildLinks	**26,398**	29,391	**26,398**	29,391
Amounts paid to GuildLinks	**-**	1,875	**-**	1,875
Amounts received from FredIT	**57,243**	153,419	**57,243**	153,419
Amounts paid to FredIT	**-**	-	**-**	-

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

26. Leasing commitments

The parent entity leases the premises in which they operate from The Guild Properties (Queensland) Unit Trust which forms part of the consolidated group. The Brach Committee has agreed that an ongoing rental payment of $540,000 per annum is paid for the use of the premises. This is payable annually in the books of the Parent Entity, however eliminated in the Consolidated Entity due to The Unit Trust being part of the Consolidated Group.

27. 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

Committee of Management Statement

On 4th September 2013 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 2013:

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 Fair Work (Registered Organisations) Act 2009 and the Fair Work (Registered Organisations) Regulations 2009; 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 Fair Work (Registered Organisations) Act 2009 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 272 of the Fair Work (Registered Organisations) Act 2009.

For Committee of Management: TIMOTHY JOHN LOGAN
Title of Office Held: BRANCH PRESIDENT

BRISBANE

Dated this 4th day of September 2013

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Independent Auditor's Report
To the Members of Pharmacy Guild of Australia (Queensland Branch)

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 2013, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes to the financial report and the statement by the Committee of Management of the Guild and 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 are responsible for the preparation and fair presentation of the financial report in accordance with the Fair Work (Registered Organisations) Act 2009. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that are 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 have 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.

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In making those risk assessments, the auditor considers internal control relevant to the Trust'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,

a the financial report of Pharmacy Guild of Australia (Queensland Branch)

i presents fairly, in all material respects, the Guild's and consolidated entity's financial position as at 30 June 2013 and of their performance and cash flows for the year then end

ii 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

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

S G Hancox
Partner - Audit & Assurance

Brisbane, 9 September 2013