FairWork Commission

14 October 2014

Ms Robyn Ede
Branch Director
The Pharmacy Guild of Australia, Queensland Branch
Guild House
132 Leichhardt Street
SPRING HILL QLD 4004

Dear Ms Robyn

The Pharmacy Guild of Australia Queensland Branch Financial Report for the year ended 30 June 2014 - [FR2014/115]

I acknowledge receipt of the financial report of the Pharmacy Guild of Australia Queensland Branch. The documents were lodged with the Fair Work Commission (FWC) on 3 October 2014.

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 2015 will 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 FWC will confirm these concerns have been addressed prior to filing next year's report.

<u>Non compliance with previous requests</u>

While we filed last year's financial report, we raised certain issues for the reporting unit to address in the preparation of future financial reports. I note that the same errors have appeared in the current report, namely the accounting policy for membership subscriptions has not been disclosed and that the disclosure of separation and redundancies and other employee provisions for both office holders and other employees has not been provided.

The FWC aims to assist reporting units in complying with their obligations under the RO Act and Reporting Guidelines by providing advice about the errors identified in financial reports. I note that in correspondence I received from your Accountant, Stan Lysiuk on the 8 October 2014, he stated that although last year's filing letter was received at the correct email address, this letter was not forward onto yourself or Stan.

<u>Auditor's report: declaration regarding going concern</u>

Paragraph 39 of the Reporting Guidelines requires an auditor to include in the auditor's statement a declaration that as part of the audit of the financial statement they have concluded that management's use of the going concern basis of accounting in the preparation of the reporting unit's financial statements is appropriate. This declaration was not included in the auditor's statements.

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: orgs@fwc.gov.au

Reporting Requirements

On the FWC website a number of factsheets in relation to the financial reporting process and associated timelines are available. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The FWC recommends reporting units use this model as it will assist in ensuring compliance with the *Fair Work (Registered Organisations) Act 2009*, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained via this link.

Should you wish to discuss this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on 03) 8661 7886 or by email at joanne.fenwick@fwc.gov.au.

Yours sincerely

Joanne Fenwick
Financial Reporting Specialist
Regulatory Compliance Branch

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

s.268 *Fair Work (Registered Organisations) Act 2009*

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER

Certificate for the period ended 30 June 2014

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 for the Pharmacy Guild of Australia Queensland Branch for the period ended 30 June 2014 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and

- that the full report was provided to members of the reporting unit on 8th September 2014; and

- that the full report was presented to a general meeting of members of the reporting unit on 30th September 2014 in accordance with s.266 (1) of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer: ....

Name of prescribed designated officer: Timothy John Logan..

Title of prescribed designated officer: Branch President..

Dated: ......30th September 14..

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

ABN 87 076 197 623

Financial Report
For the year ended 30 June 2014

0 1 2 3 4
5 6 7 8 9

THE PHARMACY GUILD OF AUSTRALIA (QUEENSLAND BRANCH) AND CONTROLLED ENTITIES
OPERATING REPORT
for the year ended 30 June 2014

The committee presents its report on The Pharmacy Guild of Australia (Queensland Branch) for the financial year ended 30 June 2014.

(a) Review of principal activities, the results of those activities and any significant changes in the nature of those activities during the year

(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 changes in financial affairs

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) Right of members to resign

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;

(d) Number of members:

As at 30 June 2014, to which this report relates, the number of members of the organisation was 757 including Honorary Life Members.

(e) Number of employees:

As at 30 June 2014, the total number of employees employed by the reporting entity was 39.

(f) Names of Committee of Management members and period positions held during the financial year:

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
T Logan
S Holzberger
K Sclavos
R Xynias

Branch Committee

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

THE PHARMACY GUILD OF AUSTRALIA (QUEENSLAND BRANCH) AND CONTROLLED ENTITIES
OPERATING REPORT
for the year ended 30 June 2014

(g) Prescribed and other Information:

(i) 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).

Signature of designated officer:..

Name and title of designated officer: TIMOTHY JOHN LOGAN ....

Dated: 03/09/2014

Grant Thornton

Grant Thornton Audit Pty Ltd
ABN 91 130 913 594

Level 18
145 Ann Street
Brisbane Queensland 4000
GPO Box 1008
Brisbane Queensland 4001

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

Auditor's Independence Declaration
To the Members of The Pharmacy Guild of Australia (Queensland Branch) and controlled entities

As lead auditor for the audit of The Pharmacy Guild of Australia (Queensland Branch) and controlled entities for the year ended 30 June 2014, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of auditor independence requirements in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

S G Hancox
Partner - Audit & Assurance

Brisbane, 3 September 2014

Statement of Profit or Loss and Other Comprehensive Income
for the year ended 30 June 2014

	Notes	Consolidated Entity		Parent Entity	
		2014	2013	**2014**	2013
		$	$	**$**	$
Revenue	3	**9,184,926**	9,725,160	**9,194,532**	10,186,128
Employee benefit expenses	4c	**(2,961,700)**	(3,001,155)	**(2,961,700)**	(3,001,155)
Depreciation, amortisation and impairment expense	4d	**(1,466,919)**	(315,368)	**(1,683,785)**	(1,722,520)
Finance costs	4a	**(184,769)**	(387,074)	**(184,769)**	(387,074)
Other expenses	4a	**(4,638,243)**	(4,347,940)	**(5,233,254)**	(4,961,119)
Profit from continuing operations		**(66,705)**	1,673,624	**(868,976)**	114,260
Profit/(loss) from discontinued operations	5	**(15,174)**	(833,004)	**-**	-
Total profit before income tax		**(81,879)**	840,619	**(868,976)**	114,260
Income tax expense	6	**-**	-	**-**	-
Profit after income tax		**(81,879)**	840,619	**(868,976)**	114,260
Other comprehensive income		**-**	-	**-**	-
Total comprehensive income for the year		**(81,879)**	840,619	**(868,976)**	114,260

Statement of Financial Position

as at 30 June 2014

	Notes	Consolidated Entity		Parent Entity	
		2014	2013	**2014**	2013
		$	$	**$**	$
Assets					
Current					
Cash and cash equivalents	9	**1,667,187**	3,508,037	**1,667,187**	3,483,522
Trade and other receivables	10	**2,339,393**	2,425,328	**2,462,476**	3,012,617
Other current assets	11	**607,363**	331,894	**602,581**	325,227
Total Current Assets		4,613,943	6,265,259	4,732,244	6,821,366
Non-Current					
Trade and other receivables	10	-	-	-	-
Other financial assets	12	-	-	**4,715,013**	6,275,478
Property, plant and equipment	14	**4,526,988**	5,903,367	**406,988**	439,770
Deferred tax assets	18	-	-	-	-
Intangible assets	15	-	-	-	-
Total Non-Current Assets		4,526,988	5,903,367	5,122,001	6,715,248
Total Assets		**9,140,931**	12,168,626	**9,854,245**	13,536,614
Liabilities					
Current					
Trade and other payables	16	**4,262,600**	4,385,326	**4,975,914**	4,966,217
Financial liabilities	17	-	-	-	-
Current tax liabilities	18	-	-	-	-
Short-term provisions	19	307,405	352,789	307,405	352,789
Total Current Liabilities		4,570,005	4,738,115	5,283,319	5,319,006
Non-Current					
Financial liabilities	17	-	2,797,000	-	2,797,000
Deferred tax liabilities	18	-	-	-	-
Long-term provisions	19	89,682	70,388	89,682	70,388
Total Non-Current Liabilities		89,682	2,867,388	89,682	2,867,388
Total Liabilities		**4,659,687**	7,605,503	**5,373,001**	8,186,394
Net Assets		**4,481,244**	4,563,123	**4,481,244**	5,350,220
Equity					
Reserves	20	-	-	-	-
Retained earnings		4,481,244	4,563,123	4,481,244	5,350,220
Total Equity		4,481,244	4,563,123	4,481,244	5,350,220

Statement of Changes in Equity

for the year ended 30 June 2014

	Notes	Retained Earnings $	Asset Revaluation Reserve $	Total $
Consolidated entity				
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**
Balance at 1 July 2013		4,563,123	-	**4,563,123**
Transfer reserves		-	-	-
Total comprehensive income		(81,879)	-	**(81,879)**
Balance at 30 June 2014		4,481,244	-	**4,481,244**
Parent entity				
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**
Balance at 1 July 2013		5,350,220	-	**5,350,220**
Transfer reserves		-	-	-
Total comprehensive income		(868,976)	-	**(868,976)**
Balance at 30 June 2014		4,481,244	-	**4,481,244**

Statement of Cash Flows

for the year ended 30 June 2014

	Notes	Consolidated Entity 2014 $	Consolidated Entity 2013 $	Parent Entity 2014 $	Parent Entity 2013 $
Cash Flow from Operating Activities					
Receipts from members and customers		**9,625,391**	10,262,628	**10,089,597**	10,261,089
Payments to suppliers and employees		**(8,429,957)**	(8,186,799)	**(8,894,430)**	(8,792,033)
Interest received		**94,502**	183,227	**94,502**	183,223
Finance costs		**(184,769)**	(387,074)	**(184,769)**	(387,074)
Distributions received		**-**	-	**9,606**	460,968
Cash flows from discontinued operations		**(15,174)**	(160,557)	**-**	-
Income tax paid		**-**	32,086	**-**	-
Net cash provided by (used in) operating activities	23a	**1,089,993**	1,743,511	**1,114,506**	1,726,173
Cash Flow from Investing Activities					
Proceeds from sale of property, plant and equipment		**-**	10	**-**	-
Purchase of available-for-sale investments		**-**	-	**1,560,465**	188
Payment for property, plant and equipment		**(133,843)**	(59,097)	**(1,694,306)**	(57,775)
Net cash provided by (used in) investing activities		**(133,843)**	(59,087)	**(133,841)**	(57,587)
Cash Flow from Financing Activities					
Payments to related parties		**-**	-	**-**	-
Repayment of borrowings		**(2,797,000)**	(2,200,000)	**(2,797,000)**	(2,200,000)
Net cash provided by (used in) financing activities		**(2,797,000)**	(2,200,000)	**(2,797,000)**	(2,200,000)
Net increase/(decrease) in cash held		**(1,840,850)**	(515,576)	**(1,816,335)**	(531,414)
Cash at beginning of year	9	**3,508,037**	4,023,613	**3,483,522**	4,014,936
Cash at end of year	9	**1,667,187**	3,508,037	**1,667,187**	3,483,522

Statement of Recovery of Wages Activity

for the year ended 30 June 2014

	Notes	Consolidated Entity 2014 $	Consolidated Entity 2013 $	Parent Entity 2014 $	Parent Entity 2013 $
Cash assets in respect of recovered money at beginning of year					
Amounts recovered from employers in respect of wages etc.		-	-	-	-
Interest received on recovered money		-	-	-	-
Total receipts		-	-	-	-
Payments					
Deductions of amounts due in respect of membership for:					
12 months or less		-	-	-	-
Greater than 12 months		-	-	-	-
Deductions of donations or other contributions to accounts or funds		-	-	-	-
Deductions of fees or reimbursement of expenses		-	-	-	-
Payments to workers in respect of recovered money		-	-	-	-
Total payments		-	-	-	-
Cash asset's in respect of recovered money at end of year					
Number of workers to which the monies recovered relates		-	-	-	-
Aggregate payables to workers attributable to recovered monies but not yet distributed					
Payable balance		-	-	-	-
Number of workers the payable relates to		-	-	-	-

Notes to the Financial Statements

for the year ended 30 June 2014

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.

The Pharmacy Guild of Australia (Queensland Branch) is a not-for-profit entity incorporated and domiciled in Australia.

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 3rd September 2014.

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.

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

Notes to the Financial Statements

for the year ended 30 June 2014

1. Statement of significant accounting policies (continued)

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.

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:

Notes to the Financial Statements

for the year ended 30 June 2014

1. Statement of significant accounting policies (continued)

c. Property, plant and equipment (continued)

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.

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.

Notes to the Financial Statements

for the year ended 30 June 2014

1. Statement of significant accounting policies (continued)

d. Financial instruments (continued)

(ii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

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.

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.

Notes to the Financial Statements

for the year ended 30 June 2014

1. Statement of significant accounting policies (continued)

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. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

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

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

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

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

j. 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. Capitation fees

Capitation fees and levies recognised on an accrual basis and recorded as a revenue and/or expense in the year to which it relates.

l. 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.

Notes to the Financial Statements

for the year ended 30 June 2014

1. Statement of significant accounting policies (continued)

m. 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.

n. Comparatives

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

o. 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.

p. 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 116 and AASB 138 Property, Plant and Equipment and Intangible Assets
Effective date for entity: 1 January 2016
The amendments to IAS 16 prohibit the use of a revenue-based depreciation method for property, plant and equipment. Additionally, the amendments provide guidance in the application of the diminishing balance method for property, plant and equipment.
The amendments to IAS 38 present a rebuttable presumption that a revenue-based amortisation method for intangible assets is inappropriate.
The Australian Accounting Standards Board (AASB) is expected to issue the equivalent Australian amendment shortly.
Impact: No significant impact expected

Notes to the Financial Statements

for the year ended 30 June 2014

1. Statement of significant accounting policies (continued)

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

AASB 116 Revenue
Effective date for entity: 1 January 2017
IFRS 15 will replace IAS 18 Revenue and will establish a new control-based revenue recognition model. The new standard will change the basis for deciding whether revenue is to be recognised over time or at a point in time and provides new and more detailed guidance on specific topics. Disclosures about revenue will also be expanded and improved.
Impact: No significant impact expected

AASB 9: Financial Instruments
Effective date for entity: 1 January 2018
AASB 9 introduces new requirements for the classification and measurement of financial assets and liabilities. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are:
(a) Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; and (2) the characteristics of the contractual cash flows.
(b) Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income (instead of in profit or loss). Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.
(c) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.
(d) Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows:
- The change attributable to changes in credit risk are presented in other comprehensive income (OCI); and
- The remaining change is presented in profit or loss.

If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss.
Otherwise, the following requirements have generally been carried forward unchanged from AASB 139 into AASB 9:
- Classification and measurement of financial liabilities; and
- Derecognition requirements for financial assets and liabilities.

Impact: No significant impact expected

AASB 2013-3: Recoverable Amount Disclosures for Non-Financial Assets
Effective date for entity: 1 January 2014
These narrow-scope amendments address disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal.
When developing IFRS 13 Fair Value Measurement, the IASB decided to amend IAS 36 Impairment of Assets to require disclosures about the recoverable amount of impaired assets. The IASB noticed however that some of the amendments made in introducing those requirements resulted in the requirement being more broadly applicable than the IASB had intended. These amendments to IAS 36 therefore clarify the IASB's original intention that the scope of those disclosures is limited to the recoverable amount of impaired assets that is based on fair value less costs of disposal.
AASB 2013-3 makes the equivalent amendments to AASB 136 Impairment of Assets.
Impact: No significant impact expected

Notes to the Financial Statements

for the year ended 30 June 2014

1. Statement of significant accounting policies (continued)

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

AASB 2014-1 Amendments to Australian Accounting Standards (Part A: Annual Improvements 2010–2012 and 2011–2013 Cycles)
Effective date for entity: 1 July 2014
Part A of AASB 2014-1 makes amendments to various Australian Accounting Standards arising from the issuance by the International Accounting Standards Board (IASB) of International Financial Reporting Standards Annual Improvements to IFRSs 2010-2012 Cycle and Annual Improvements to IFRSs 2011-2013 Cycle.
Among other improvements, the amendments arising from Annual Improvements to IFRSs 2010-2012 Cycle:
(a) clarify that the definition of a 'related party' includes a management entity that provides key management personnel services to the reporting entity (either directly or through a group entity); and
(b) amend AASB 8 Operating Segments to explicitly require the disclosure of judgements made by management in applying the aggregation criteria.
Among other improvements, the amendments arising from Annual Improvements to IFRSs 2011-2013 Cycle clarify that an entity should assess whether an acquired property is an investment property under AASB 140 Investment Property and perform a separate assessment under AASB 3 Business Combinations to determine whether the acquisition of the investment property constitutes a business combination.
Impact: No significant impact expected

AASB 2012-3: Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities
Effective date for entity: 1 January 2014
AASB 2012-3 adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.
Impact: No significant impact expected

q. New and revised Standards that are effective for annual periods beginning on or after 1 July 2013

A number of new and revised standards are effective for annual periods beginning on or after 1 January 2013. Information on these new standards is presented below.

AASB 13: Fair Value Measurement
AASB 13 clarifies the definition of fair value and provides related guidance and enhanced disclosures about fair value measurements. It does not affect which items are required to be fair-valued. The scope of AASB 13 is broad and it appli for both financial and non-financial items for which other Australian Accounting Standards require or permit fair value measurements or disclosures about fair value measurements except in certain circumstances.

AASB 13 applies prospectively for annual periods beginning on or after 1 January 2013. Its disclosure requirements nee not be applied to comparative information in the first year of application. The Group has however included as comparative information the AASB 13 disclosures that were required previously by AASB 7 Financial Instruments: Disclosures.

Notes to the Financial Statements

for the year ended 30 June 2014

q. New and revised Standards that are effective for annual periods beginning on or after 1 July 2013 (continued)

AASB 119: Ammendments to Employee Benefits

The 2011 amendments to AASB 119 made a number of changes to the accounting for employee benefits, the most significant relating to defined benefit plans. The amendments:
- eliminate the 'corridor method' and requires the recognition of re-measurements (including actuarial gains and losses) arising in the reporting period in other comprehensive income;
- change the measurement and presentation of certain components of the defined benefit cost. The net amount in profit or loss is affected by the removal of the expected return on plan assets and interest cost components and their replacement by a net interest expense or income based on the net defined benefit asset or liability; and
- enhance disclosures, including more information about the characteristics of defined benefit plans and related risks.

Under the amendments, employee benefits 'expected to be settled wholly' (as opposed to 'due to be settled' under the superseded version of AASB 119) within 12 months after the end of the reporting period are short-term benefits, and are therefore not discounted when calculating leave liabilities. As the Group does not expect all annual leave for all employees to be used wholly within 12 months of the end of reporting period, annual leave is included in 'other long-tern benefit' and discounted when calculating the leave liability. This change has had no impact on the presentation of annu leave as a current liability in accordance with AASB 101 Presentation of Financial Statements.

These amendments have had no significant impact on the entity.

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 2014

3. Revenue

	Consolidated Entity		Parent Entity	
	2014	2013	**2014**	2013
	$	$	**$**	$
Member subscriptions	**1,659,522**	1,631,678	**1,659,522**	1,631,678
Capitation fees	-	-	-	-
Levies	-	-	-	-
Donations	-	-	-	-
Commissions received	**415,708**	565,263	**415,708**	565,263
Distributions received	-	-	**9,606**	460,968
Event and conference income	**4,217,789**	4,093,837	**4,217,789**	4,093,837
Interest received	**94,502**	183,107	**94,502**	183,223
Other grant income	**255,809**	131,848	**255,809**	131,848
National Secretariat Fighting Fund	**368,433**	359,879	**368,433**	359,879
National Secretariat project funding	**706,092**	1,038,759	**706,092**	1,038,759
Queensland Health project funding	**202,058**	290,176	**202,058**	290,176
Sales revenue	**461,391**	600,899	**461,391**	600,899
Training course fees	**803,622**	829,714	**803,622**	829,598
Other income	-	-	-	-
Total revenue	**9,184,926**	9 725 160	**9,194,532**	10,186,128
Distributions revenue from:				
- controlled entity:				
The Guild Properties (Queensland) Unit Trust	-	-	**9,606**	460,968
Total distribution revenue	-	-	**9,606**	460,968
Interest revenue from:				
- external parties	**94,502**	183,107	**94,502**	183,223
- controlled entity	-	-	-	-
	94,502	183,107	**94,502**	183,223

4. Profit for the Year

	Consolidated Entity		Parent Entity	
	2014	2013	**2014**	2013
	$	$	**$**	$
Total comprehensive income has been determined after:				
a. Expenses				
Finance costs:				
- external interest	**184,769**	387,074	**184,769**	387,074

Notes to the Financial Statements
for the year ended 30 June 2014

4. Profit for the Year (continued)

	Consolidated Entity		Parent Entity	
	2014	2013	**2014**	2013
	$	$	**$**	$
Other expenses:				
Advertising and promotions expenses	**36,561**	55,499	**36,561**	55,499
Bank and card charges	**52,710**	53,714	**52,710**	53,144
Branch committee expenses	**14,876**	13,616	**14,876**	13,616
Cleaning expenses	**45,335**	47,421	**45,335**	47,421
Computer costs	**16,349**	20,281	**16,349**	20,281
Conference and seminar attendance expenses	**28,247**	34,223	**28,247**	34,223
Consultancy expenses - other	**145,916**	115,126	**145,916**	115,126
Contract staff	**22,284**	54,534	**22,284**	54,534
Dispatch expenses	**50,038**	75,836	**50,038**	75,836
Donations	**5,336**	3,702	**5,336**	3,702
Events expenses:				
- Catering and dinner	**1,097,818**	928,601	**1,097,818**	928,601
- Commissions paid	**38,098**	43,578	**38,098**	43,578
- Consultancy expenses	**44,273**	45,906	**44,273**	45,906
- Display and venue expenses	**382,040**	372,664	**382,040**	372,664
- Printing and stationery	**93,466**	80,120	**93,466**	80,120
- Speaker costs	**66,736**	75,690	**86,736**	75,690
- Technical expenses	**231,448**	203,584	**231,448**	203,584
Insurance expenses	**78,881**	77,001	**70,620**	69,505
Litigation	**-**		**-**	-
Other legal matters	**11,885**	2,750	**11,885**	2,750
Meals expenses	**54,221**	47,058	**54,221**	47,058
Meeting expenses - AGM	**11,811**	10,096	**11,811**	10,096
Motor vehicle expenses	**39,852**	48,980	**39,852**	48,980
Capitation fees	**839,855**	823,419	**839,855**	823,419
Capitation fees - Fighting Fund	**368,433**	359,879	**368,433**	359,879
Net loss on disposal of fixed assets	**4,592**	3,289	**4,592**	(1,708)
Pilot project costs write off	**36,229**		**36,229**	-
Printing and stationery - other	**75,331**	100,657	**75,331**	100,657
Power and light	**47,121**	47,554	**47,121**	47,554
Professional fees, including audit	**37,647**	44,628	**35,947**	40,341
Purchases - merchandise	**26,305**	35,791	**26,305**	35,791
Queensland Health Project materials	**4,083**	26,783	**4,083**	26,783
Rates	**29,795**	28,043	**-**	
Rent	**-**	-	**665,220**	540,000
Repairs and maintenance	**13,202**	15,693	**13,202**	15,693
Security expenses	**17,057**	15,235	**17,057**	15,235
Sponsorship	**31,817**	24,500	**31,817**	24,500
Staff procurement	**651**	1,250	**651**	1,250
Subscriptions	**16,636**	16,200	**16,400**	15,740
Telephone and internet expenses	**73,918**	75,061	**73,918**	75,061
Travelling and fares expenses	**192,345**	215,727	**192,345**	215,727
Penalties	**-**	-	**-**	-
Sundry expenses	**235,045**	104,251	**204,828**	223,283
Total other expenses	**4,638,243**	4,347,940	**5,233,254**	4,961,119

Notes to the Financial Statements
for the year ended 30 June 2014

4. Profit for the Year (continued)

	Consolidated Entity		Parent Entity	
	2014	2013	**2014**	2013
	$	$	**$**	$
Bad and doubtful debts:				
- trade receivables	**-**	-	**-**	-
Net loss on disposal of:				
- property, plant and equipment	**-**	-	**-**	-
Defined contribution plan:				
- superannuation expense	**268,325**	248,603	**268,325**	248,603

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	**-**	-	**-**	-

c. Employee benefits expense

Amounts paid to Office Holders				
- wages and salaries	**265,571**	267,620	**265,571**	267,620
- superannuation	**45,977**	35,425	**45,977**	35,425
- leave and other entitlements	**37,405**	27,174	**37,405**	27,174
- separation and redundancies	**-**	-	**-**	-
- payroll tax	**17,283**	16,097	**17,283**	16,097
- other employee expenses	**14,895**	8,658	**14,895**	8,658
	381,131	354,974	**381,131**	354,974
Amounts paid to all other employees				
- wages and salaries	**1,944,027**	2,010,454	**1,944,027**	2,010,454
- superannuation	**222,348**	213,178	**222,348**	213,178
- leave and other entitlements	**240,605**	242,095	**240,605**	242,095
- separation and redundancies	**21,922**	29,935	**21,922**	29,935
- payroll tax	**121,964**	123,440	**121,964**	123,440
- other employee expenses	**29,703**	27,079	**29,703**	27,079
	2,580,569	2,646,181	**2,580,569**	2,646,181
Total employee benefits expense	**2,961,700**	3,001,155	**2,961,700**	3,001,155

No capitation or affiliation 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).

d. Depreciation, amortisation and impairment expense

Depreciation expense	**278,082**	315,368	**118,860**	142,991
Impairment expense	**1,188,837**	-	**1,564,925**	1,579,529
	1,466,919	315,368	**1,683,785**	1,722,520

i) Impairment has been recognised at the consoidated group level in relation to the land and buildings held. The Branch Committee obtained an independent valuation in the period which indicated that the fair value of the land and buildings was materially different to the carrying value of these assets in the financial statements. As a result, the Branch Committee has recorded the above impairment expense to bring the carrying value of the assets to the value per the independent valuation on a consolidated level.

ii) The Parent entity holds units in The Guild Properties (Queensland) Unit Trust which holds the land and buildings recorded in the consolidated financial statements. The impairment recorded in relation to the land and buildings resulted in the units in the trust having a lower carrying value than in the prior year. As a result the Parent entity has recorded an impairment loss in relation to the carrying value of these units held in the period.

Notes to the Financial Statements

for the year ended 30 June 2014

5. Discontinued Operations

	Consolidated Entity		Parent Entity	
	2014	2013	**2014**	2013
	$	$	**$**	$
Analysis of discontinued operations				
- Revenue	-	120	-	-
- Expenses	**(15,174)**	(160,676)	-	-
Total operating loss from discontinued operations	**(15,174)**	(160,557)	-	-
Impairment loss of discontinued operations	-	(672,448)	-	-
Total loss from discontinued operations	**(15,174)**	(833,004)	-	-

On 31 March 2014 the trade and operations of InnovationRX and its subsidiary entities were wound up and the remaining funds of $9,608 were distributed to the parent company. In prior financial years the parent entity fully provided for the receivable loan balances from InnovationRX. As at 30 June 2013 the total loans provided for was $2,361,821.

Opering losses in FY13 amounted to $20,590 with $672,448 relating to the impairment of intangible assets recognised on sale of IRX assets to Guildlink. Opering losses in the current year amounted to $15,174. No further impairment losses were recognised during the period as all the tangible fixed assets and intanigble assets of IRX were sold and/or impaired in the prior financial year.

6. Income tax expense

		Consolidated Entity		Parent Entity	
		2014	2013	**2014**	2013
		$	$	**$**	$
a. The components of tax expense comprise:					
Current tax		-	-	-	-
Deferred tax	18	-	-	-	-
Under / (Over) provision in prior year		-	-	-	-
Losses not brought to accounts		-	-	-	-
		-	-	-	-
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% (2013: 30%)		**(24,564)**	252,186	**(260,693)**	34,278
Add:					
Tax effect of:					
- non-deductible expenses		-	-	-	-
Less:					
Tax effect of:					
- exempt income and expenses		**(24,564)**	252,186	**(260,693)**	34,278
- over / (under) provision in prior year		-	-	-	-
- losses not brought to account		-	-	-	-
Income tax expense attributable to entity		-	-	-	-
The applicable weighted average effective tax rates are as follows:		**0.00%**	0.00%	**0.00%**	0.00%

Notes to the Financial Statements

for the year ended 30 June 2014

7. 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 2014 $	2013 $	Parent Entity 2014 $	2013 $
Short-term employee benefits	**307,871**	317,871	**307,871**	317,871
Post-employment benefits	**45,977**	35,425	**45,977**	35,425
Bonuses	**10,000**	-	**10,000**	-
	363,848	353,296	**363,848**	353,296

8. Auditors' remuneration

	Consolidated Entity 2014 $	2013 $	Parent Entity 2014 $	2013 $
Remuneration of auditor of the parent entity for:				
- auditing of the financial report	**32,500**	35,000	**30,800**	35,000
- preparation of the financial report	**4,000**	4,000	**4,000**	4,000
- taxation services	**3,600**	5,700	**3,600**	1,500
- wind up of IRX costs	**5,700**	-	**-**	-
	45,800	44 700	**38,400**	40,500

9. Cash and cash equivalents

	Consolidated Entity 2014 $	2013 $	Parent Entity 2014 $	2013 $
Cash at bank and on hand	**1,667,187**	3,508,037	**1,667,187**	3,483 522
	1,667,187	3,508,037	**1,667,187**	3,483,522

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:

	Note	Consolidated Entity 2014 $	2013 $	Parent Entity 2014 $	2013 $
Cash and cash equivalents	24d	**1,667,187**	3,508,037	**1,667,187**	3,483,522

A floating charge over cash and cash equivalents has been provided for certain debts. Refer to Note 17 for further details.

Notes to the Financial Statements
for the year ended 30 June 2014

10. Trade and other receivables

	Notes	Consolidated Entity 2014 $	Consolidated Entity 2013 $	Parent Entity 2014 $	Parent Entity 2013 $
Current					
Trade receivables		**2,235,907**	2,150,731	**2,235,907**	2,150,731
		2,235,907	2,150,731	**2,235,907**	2,150,731
Accrued revenue		**18,639**	17,586	**18,639**	17,586
Sundry debtors		**200**	5,813	**200**	5,813
Amounts receivable from:					
- Ultimate parent entity					
Pharmacy Guild of Australia		**84,647**	27,959	**84,647**	27,959
- Controlled entities					
The Guild Properties (Queensland) Unit Trust		-	-	**123,083**	587,289
InnovationRX International Pty Ltd		-	-	-	519,321
Less: Provision for impairment of IRX Loan		-	-	-	(519,321)
- Other related parties of ultimate parent entity					
Pharmacy Guild of Australia Branches					
- SA Branch		-	-	-	-
- WA Branch		-	-	-	-
- VIC Branch		-	16,915	-	16,915
- NSW Branch		-	1,819	-	1,819
- TAS Branch		-	-		-
- Other related parties of ultimate parent entity (continued)					
Guild Group		-	149,744	-	149,744
Gold Cross Products & Services Pty Ltd		-	45,605	-	45,605
FredIT		-	9,156	-	9,156
		103,486	274,597	**226,569**	861,886
		2,339,393	2,425,328	**2,462,476**	3,012,617
Non-Current					
Amounts receivable from:					
- Controlled entities					
InnovationRX International Pty Ltd		-	-	-	1,842,500
Less: Provision for impairment		-	-	-	(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. In the 2014 financial year there has been no impairment write downs in relation to receivables. In the prior year, current loan balances of $519,321 and non-current loan balances of $1,842,500 in relation to InnovationRX International Pty Ltd were impaired. InnovationRX IP Pty Ltd and its controlled entities were wound up during the year and the ultimate parent entity forgave all loan balances.

Notes to the Financial Statements

for the year ended 30 June 2014

10. Trade and other receivables (continued)

Credit risk

The group has no significant concentration of credit risk with respect to any single counter party or group. 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.

	Notes	Consolidated Entity		Parent Entity	
		2014	2013	**2014**	2013
		$	$	**$**	$
Trade receivables					
Within initial trade terms		**909,234**	832,366	**909,234**	832,366
Past due receivables (but not impaired)					
Overdue 1 - 29 days		**1,130,183**	1,212,183	**1,130,183**	1,212,183
Overdue 30 - 59 days		**25,990**	45,493	**25,990**	45,493
Overdue > 60 days		**170,500**	60,689	**170,500**	60,689
Gross amount		**2,235,907**	2,150,731	**2,235,907**	2,150,731
Other receivables					
Within initial trade terms		**103,486**	246,707	**226,569**	835,815
Past due receivables (but not impaired)					
Overdue 1 - 29 days		**-**	-		-
Overdue 30 - 59 days		**-**	-		-
Overdue > 60 days		**-**			-
		103,486	246,707	**226,569**	835,815

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 2014	Consolidated 2013	Parent 2014	Parent 2013
Total current		**2,339,393**	2,425,328	**2,462,476**	3,012,617
Total non-current		**-**	-	**-**	-
Financial assets	24	**2,339,393**	2,425,328	**2,462,476**	3,012,617

c. Collateral pledged

A floating charge over trade and other receivables has been provided for certain debts. Refer to Note 17 for further details.

Notes to the Financial Statements
for the year ended 30 June 2014

11. Other assets

	Note	Consolidated Entity 2014 $	Consolidated Entity 2013 $	Parent Entity 2014 $	Parent Entity 2013 $
Current					
Prepayments - expense		**607,363**	331,894	**602,581**	325,227
		607,363	331,894	**602,581**	325,227

12. Other financial assets

	Note	Consolidated Entity 2014 $	Consolidated Entity 2013 $	Parent Entity 2014 $	Parent Entity 2013 $
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
- units in controlled unit trust The Guild Properties (Queensland) Unit Trust		-	-	**4,715,013**	6,275,476
	24	-	-	**4,715,013**	6,275,478

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 2014.

13. Controlled entities

	Country of Incorporation	Percentage Owned (%) 2014	Percentage Owned (%) 2013
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	**0%**	100%
InnovationRX Australia Pty Ltd	Australia	**0%**	100%
InnovationRX International Pty Ltd	Australia	**0%**	100%
The Guild Properties (Queensland) Unit Trust and its trustee Guildprop Pty Ltd	Australia	**100%**	100%

On 31 March 2014 the trade and operations of InnovationRX IP Pty Ltd and its subsidiary entites were wound up and all remaining funds distributed to the ultimate parent entity.

Notes to the Financial Statements
for the year ended 30 June 2014

14. Property, plant and equipment

	Consolidated Entity		Parent Entity	
	2014	2013	**2014**	2013
	$	$	**$**	$
Non-Current				
Freehold land - at cost	**940,000**	940,000	-	-
Buildings - at cost	**5,339,938**	5,335,476	-	-
less: Accumulated depreciation	**(971,101)**	(811,879)	-	-
less: Provision for impairment	**(1,188,837)**	-	-	-
	3,180,000	4,523,597	-	-
Total land and buildings	**4,120,000**	5,463,597	-	-
Plant and equipment - at cost	**1,024,447**	1,052,685	**1,024,447**	1,052,685
less: Accumulated depreciation	**(617,459)**	(612,915)	**(617,459)**	(612,915)
	406,988	439,770	**406,988**	439,770
Total property, plant and equipment	**4,526,988**	5,903,367	**406,988**	439,770

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).

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 2014	**Freehold Land**	**Buildings**	**Plant and Equipment**	**Total**
Balance at the beginning of the year	940,000	4,523,598	439,769	5,903,367
Additions	-	4,462	129,441	133,903
Transfers	-	-	-	-
Disposals	-	-	(43,363)	(43,363)
Impairment expense	-	(1,188,838)	-	(1,188,838)
Depreciation expense	-	(159,222)	(118,859)	(278,081)
Carrying amount at the end of the year	940,000	3,180,000	406,988	4,526,988

30 June 2013	**Freehold Land**	**Buildings**	**Plant and Equipment**	**Total**
Balance at the beginning of the year	940,000	4,683,905	555,144	6,179,049
Additions	-	1,325	57,831	59,156
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	439,769	5,903,367

Notes to the Financial Statements

for the year ended 30 June 2014

15. Intangible assets

	Consolidated Entity		Parent Entity	
	2014	2013	**2014**	2013
	$	$	**$**	$
Development costs	-	-	-	-

Reconciliation of development costs

	Consolidated Entity		Parent Entity	
	2014	2013	**2014**	2013
Balance at the beginning of year	-	672,448	-	-
Cost of developments	-	-	-	-
Disposal of intangible assets	-	-	-	-
Impairment expense	-	(672,448)	-	-
Closing carrying value at 30 June	-	-	-	-

In the prior year the Consolidated Entity incurred impairment expenses of $672,448 in relation to the development costs of InnovationRX IP Pty Ltd No further impairment losses were incurred during the current financial year.

16. Payables

		Consolidated Entity		Parent Entity	
		2014	2013	**2014**	2013
		$	$	**$**	$
Current					
Unsecured liabilities					
Trade payables		**214,437**	48,240	**214,437**	48,240
Sundry payables		**236,714**	202,206	**221,486**	190,797
Accrued expenses		**121,755**	94,061	**118,555**	92,361
Income in advance - member subscriptions		**2,171,678**	2,127,819	**2,171,678**	2,127,819
Income in advance - unexpended funds/grant		**(954)**	9,927	**(954)**	9,927
Income in advance - other		**1,516,213**	1,898,074	**1,516,213**	1,898,074
Other related parties - Gold Cross		-	-	-	-
Amounts owing to:					
- Ultimate parent entity					
Pharmacy Guild of Australia		**2,757**	2,199	**2,757**	2,199
Pharmacy Guild of Australia - NSW			2,800		2,800
- Controlled entities					
InnovationRX International Pty Ltd		-	-	-	-
The Guild Properties (Queensland) Unit Trust		-	-	**731,742**	594,000
	15a	**4,262,600**	4,385,326	**4,975,914**	4,966,217

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

Trade and other payables - all current		**4,262,600**	4,385,326	**4,975,914**	4,966,217
Financial liabilities as trade and other payables	24	**4,262,600**	4,385,326	**4,975,914**	4,966,217

Notes to the Financial Statements

for the year ended 30 June 2014

17. Financial liabilities

		Consolidated Entity		Parent Entity	
		2014	2013	**2014**	2013
Current		**$**	$	**$**	$
Secured					
Bank loan		-	-	-	-
		-	-	-	-
Non-Current					
Secured					
Bank loan	17a	-	-	-	-
Bank commercial bills	17a,c	-	2,797,000	-	2,797,000
		-	2,797,000	-	2,797,000
a. Total current and non-current secured liabilities:					
Bank loan		-	-	-	-
Commercial bank bills	24	-	2,797,000	-	2,797,000
		-	2,797,000	-	2,797,000
b. The carrying amounts of assets pledged as security are:					
All assets					
TOTAL ASSETS		**9,140,931**	12,168,626	**9,854,245**	13,536,614

c. Bank commercial bills

Bank commercial bills were repaid on 28 March 2014.

18. Tax

	Consolidated Entity		Parent Entity	
	2014	2013	**2014**	2013
	$	$	**$**	$
a. Liabilities				
Current				
Income tax payable	-	-	-	-

Notes to the Financial Statements
for the year ended 30 June 2014

18. Tax (continued)

Non-Current

Deferred tax liability	**Receivables**	**Other**	**Total**
	$	**$**	**$**
As at 1 July 2012	-	-	-
Charged to income	-	-	-
Charged to tax payable	-	-	-
As at 1 July 2013	-	-	-
Charged to income	-	-	-
Charged to tax payable	-	-	-
As at 30 June 2014	-	-	-

Deferred tax asset	**Tax assets**	**Payables**	**Other**	**Total**
	$	**$**	**$**	**$**
As at 1 July 2012	-	-	-	-
Charged to income	-	-	-	-
Charged to tax payable	-	-	-	-
As at 1 July 2013	-	-	-	-
Charged to income	-	-	-	-
Charged to tax payable	-	-	-	-
As at 30 June 2014	-	-	-	-

19. Provisions

	Consolidated Entity		**Parent Entity**	
	2014	2013	**2014**	2013
	$	$	**$**	$
Current				
Employee benefits - annual leave	**155,133**	150,715	**155,133**	150,715
Employee benefits - long service leave	**152,272**	202,074	**152,272**	202,074
	307,405	352,789	**307,405**	352,789
Non-current				
Employee benefits - long service leave	**89,682**	70,388	**89,682**	70,388
Total employee benefits	**397,087**	423,177	**397,087**	423,177

	Long Service Leave	Annual Leave	**Total**
	$	$	**$**
Opening balance at 1 July 2013	272,462	150,715	**423,177**
Additional provisions	41,481	236,529	**278,010**
Amounts used	(71,989)	(232,111)	**(304,100)**
Balance at 30 June 2014	241,954	155,133	**397,087**

Notes to the Financial Statements

for the year ended 30 June 2014

19. Provisions (continued)

	Long Service Leave	Annual Leave	**Total**
	$	$	**$**
Reconciliation of employee benefits			
Amounts payable to Office Holders	73,074	9,190	**82,264**
Amounts payable to all other employees	168,880	145,943	**314,823**
	241,954	155,133	**397,087**

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.

20. Reserves

Asset revaluation reserve

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

21. Segmental reporting

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

22. Capital commitments

	Consolidated Entity		**Parent Entity**	
	2014	2013	**2014**	2013
	$	$	**$**	$
Capital expenditure commitments contracted for:				
Building under construction	**13,080**	-	**13,080**	-
Payable:				
Within 12 months	**13,080**	-	**13,080**	-
Greater than 12 months and less than five years	-	-	-	-
Longer than 5 years	-	-	-	-
	13,080	-	**13,080**	-

Notes to the Financial Statements

for the year ended 30 June 2014

23. Cash flow information

	Consolidated Entity		Parent Entity	
	2014	2013	**2014**	2013
	$	$	**$**	$
a. Reconciliation of cash flow from operating activities with profit after income tax				
Profit after income tax	**(81,879)**	840,619	**(868,976)**	114,260
Non-cash flows in profit:				
- Depreciation and amortisation expense	**1,466,919**	315,368	**1,683,785**	142,991
- Impairment expense	**-**	672,448	**-**	-
- (Profit) / loss on disposal of property, plant and equipment and intangibles	**43,303**	19,413	**43,303**	-
- Impairment of related party loans	**-**	-	**-**	1,592,433
- Other non-cash	**-**	-	**-**	-
Change in assets and liabilities:				
- (Increase)/decrease in trade and other receivables	**(189,534)**	511,045	**272,787**	510,921
- Increase/(decrease) in trade and other payables	**(122,726)**	(678,754)	**9,697**	(665,718)
- Increase/(decrease) in income taxes payable	**-**	32,086	**-**	-
- Increase/(decrease) in deferred taxes payable	**-**	-	**-**	-
- Increase/(decrease) in provisions	**(26,090)**	31,286	**(26,090)**	31,286
Cash flows from operations	**1,089,993**	1,743,511	**1.114.506**	1.726.173

24. 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	
		2014	2013	**2014**	2013
		$	$	**$**	$
Financial Assets					
Cash and cash equivalents	9	**1,667,187**	3,508,037	**1,667,187**	3,483,522
Loans and receivables	10	**2,339,393**	2,425,328	**2,462,476**	3,012,617
Available for sale financial assets	12	**-**	-	**4,715,013**	6,275,478
		4,006,580	5,933,365	**8,844,676**	12,771,617
Financial Liabilities					
Financial liabilities at amortised cost:					
Trade and other payables	16	**4,262,600**	4,385,326	**4,975,914**	4,966,217
Other financial liabilities	17	**-**	2,797,000	**-**	2,797,000
		4,262,600	7,182,326	**4,975,914**	7,763,217

Notes to the Financial Statements

for the year ended 30 June 2014

24. 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 2014 (2013: 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 2014, 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 24b.

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 2014

24. Financial risk management (continued)

Consolidated entity

2014	**Within 1 Year**	**1 - 5 Years**	**Over 5 years**	**Total**
Financial liabilities due for payment				
Trade and other payables	4,262,600	-	-	4,262,600
Bank bills and loans	-	-	-	-
Total expected outflows	4,262,600	-	-	4,262,600
Financial assets – cash flows realisable				
Cash and cash equivalents	1,667,187	-	-	1,667,187
Trade and other receivables	2,339,393	-	-	2,339,393
Other investments	-	-	-	-
Total anticipated inflows	4,006,580	-	-	4,006,580
Net (outflow) / inflow on financial instruments	(256,020)	-	-	(256,020)

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)

Parent entity

2014	**Within 1 Year**	**1 - 5 Years**	**Over 5 years**	**Total**
Financial liabilities due for payment				
Trade and other payables	4,975,914	-	-	4,975,914
Bank bills and loans	-	-	-	-
Total expected outflows	4,975,914	-	-	4,975,914
Financial assets – cash flows realisable				
Cash and cash equivalents	1,667,187	-	-	1,667,187
Trade and other receivables	2,462,476	-	-	2,462,476
Other investments	-	-	-	-
Total anticipated inflows	4,129,663	-	-	4,129,663
Net (outflow) / inflow on financial instruments	(846,251)	-	-	(846,251)

2013	**Within 1 Year**	**1 - 5 Years**	**Over 5 years**	**Total**
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	3,012,617	-	-	3,012,617
Other investments	-	-	-	-
Total anticipated inflows	6,496,139	-	-	6,496,139
Net (outflow) / inflow on financial instruments	1,529,922	(2,797,000)	-	(1,267,078)

Notes to the Financial Statements

for the year ended 30 June 2014

24. 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.

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 2014 (2013: 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 2014 and 30 June 2013 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	
		2014	2013	**2014**	2013
		$	$	**$**	$
Cash and cash equivalents					
- AA rated	9	**1,667,187**	3,508,037	**1,667,187**	3,483,522

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 2014

24. 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.

Fair value of the Group's main property assets is estimated based on appraisals performed by independent, professionally-qualified property valuers. The significant inputs and assumptions are developed in close consultation with management. The valuation processes and fair value changes are reviewed by the Branch Committee at each reporting date.

Further information about the valuation of the land is set out below.

The appraisal was carried out using a market approach that reflects observed prices for recent market transactions for similar properties and incorporates adjustments for factors specific to the land in question, including plot size, location, encumbrances and current use.

The significant unobservable input is the adjustment for factors specific to the land in question. The extent and direction of this adjustment depends on the number and characteristics of the observable market transactions in similar properties that are used as the starting point for valuation. Although this input is a subjective judgement, management considers that the overall valuation would not be materially affected by reasonably possible alternative assumptions.

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 2014				
+ / - 2% in interest rates	**+/- 61,530**	**+/- 61,530**	**+/- 61,530**	**+/- 61,530**
Year-ended 30 June 2013				
+ / - 2% in interest rates	+/- 31,538	+/- 31,538	+/- 31,538	+/- 31,538

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

25. Events after reporting 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.

26. 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 2014

26. Related party transactions (continued)

	Consolidated Entity		Parent Entity	
	2014	2013	**2014**	2013
	$	$	**$**	$
a. Ultimate Parent Entity				
Payment of membership subscriptions to The Pharmacy Guild of Australia	**1,074,525**	1,184,965	**1,074,525**	1,184,965
Amounts payable to parent entity by The Pharmacy Guild of Australia	**84,647**	27,959	**84,647**	27,957
Amounts payable by parent entity to The Pharmacy Guild of Australia	**2,757**	2,199	**2,757**	2,199
b. Controlled Entities				
Management fee paid by InnovationRX International Pty Ltd to parent entity	-	-	-	-
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
Interest received during the year on the loan by the parent entity	-	-	-	-
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	-	-	**665,220**	540,000
Distribution received by parent entity from Guild Properties Trust	-	-	**9,606**	460,968
Amounts receivable by parent entity from Guild Properties Trust	-	-	**123,083**	587,289
Amounts payable by parent entity to Guild Properties Trust	-	-	**731,742**	594,000

Notes to the Financial Statements
for the year ended 30 June 2014

26. Related party transactions (continued)

	Consolidated Entity		Parent Entity	
	2014	2013	**2014**	2013
	$	$	**$**	$
c. Companies associated with members of the Branch Committee				
Event management fees paid to a company controlled by Mr K Sclavos	**44,273**	42,355	**44,273**	42,355
d. Other Reporting Units related to the Ultimate Parent Entity				
Amounts received from Guild Group	**411,945**	385,556	**411,945**	385,556
Amounts payable to parent entity by Guild Group	**34,467**	64,105	**34,467**	50,014
Amounts received from Gold Cross Products & Services Pty Ltd	**104,904**	73,711	**104,904**	73,711
Amounts payable to parent entity by Gold Cross Products & Services Pty Ltd	**25,042**	45,605	**25,042**	45,605
Amounts received from GuildLinks	**27,800**	26,398	**27,800**	26,398
Amounts paid to GuildLinks	**-**	-	**-**	-
Amounts received from FredIT	**-**	57,243	**-**	57,243
Amounts paid to FredIT	**-**	-	**-**	-

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

27. 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 Branch Committee has agreed that an ongoing rental payment of $665,200 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.

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

Committee of Management Statement

On 3rd September 2014 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 2014:

The Committee of Management declares that in its opinion:

(a) the financial statements and notes comply with the Australian Accounting Standards;
(b) the financial statements and notes comply with the reporting guidelines of the 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 that the reporting unit will be able to pay its debts as and when they become due and payable; and
(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 RO Act; and
  - (iv) the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
  - (v) where information has been sought in any request by a member of the reporting unit or General Manager of Fair Work Australia duly made under section 272 of the RO Act has been provided to the member or General Manager of Fair Work Australia; and
  - (vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

(f) no revenue has been derived from undertaking recovery of wages activity during the reporting period

This declaration is made in accordance with a resolution of the Committee of Management.

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

BRISBANE

Dated this 3rd day of September 2014

GrantThornton

Grant Thornton Audit Pty Ltd
ABN 91 130 913 594

Level 18
145 Ann Street
Brisbane Queensland 4000
GPO Box 1008
Brisbane Queensland 4001

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

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 2014, and the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows and statement of recovery of wages activity 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.

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 2014 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, 3 September 2014