



Australian Government

Australian Industrial Registry

Level 36, Nauru House
80 Collins Street, Melbourne, VIC 3000
GPO Box 1994S, Melbourne, VIC 3001
Telephone: (03) 8661 7777
Fax: (03) 9655 0401

Mrs C Bradshaw
Branch Director
The Pharmacy Guild of Australia
South Australian Branch

[By email: guildsa@guildsa.asn.au](mailto:guildsa@guildsa.asn.au)

Dear Mrs Bradshaw,

**Re: The Pharmacy Guild of Australia - South Australian Branch
Financial reports for year ended 30 June 2005
(FR2005/271)**

Receipt is acknowledged of the financial reports of The Pharmacy Guild of Australia - South Australian Branch for the year ended 30 June 2005. The documents were lodged in the South Australian office of the Industrial Registry on 14 September 2005.

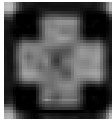
The documents have now been filed.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'S Ellard'.

Shane Ellard
Team Manager - RIA Team 4
Statutory Services Branch (Melbourne)

5 October 2005



The PHARMACY GUILD of AUSTRALIA

SOUTH AUSTRALIAN BRANCH

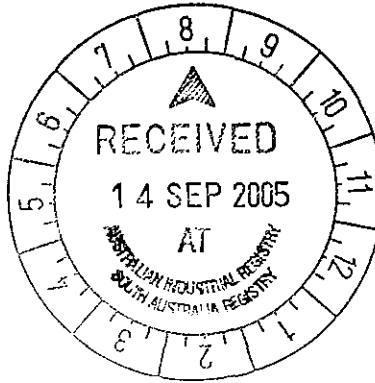
ABN 38 946 547 960

FR 2005/271

13th September, 2005.

Rec'd 15/9/05

Deputy Industrial Registrar,
Australian Industrial Registry,
South Australian Registry,
Riverside Centre,
North Terrace,
ADELAIDE, S.A. 5000



Dear Sir,

Under the Workplace Relations Act 1996 requirements, please find enclosed the financial documents of the South Australian Branch of The Pharmacy Guild of Australia for the year 2004/2005 and the Branch President's Certificate.

Yours faithfully,

C.M. BRADSHAW
Branch Director

Encls.



The PHARMACY GUILD of AUSTRALIA

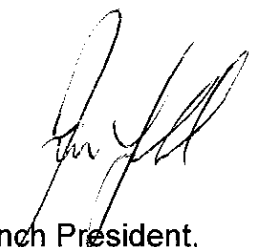
SOUTH AUSTRALIAN BRANCH

ABN 38 946 547 960

BRANCH PRESIDENTS' CERTIFICATE

I, Ian Todd, Branch President of the South Australian Branch of The Pharmacy Guild of Australia certify that:

1. The Auditors' Report, the Accounts and Statements, and the Certificates of the Accounting Officer and of the Branch Committee in respect to the financial year commencing 1st July, 2004 and ending 30th June, 2005 were distributed to Members free of charge or available on the Pharmacy Guild Internet site as of 21st August, 2005.
2. The enclosed documents are copies of the Auditors' Report, the Accounts and Statements, the Certificates of the Accounting Officer and of the Branch Committee, prepared for the Branch in accordance with the Act in respect to the year ending 30th June, 2005 and are as presented to the Annual General Meeting of the South Australian Branch of The Pharmacy Guild of Australia on 12th September, 2005.



Branch President,
South Australian Branch,
The Pharmacy Guild of Australia.

Dated: 12th September, 2005

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2005

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

OPERATING REPORT FOR THE YEAR ENDED 30 JUNE 2005

Your Branch Committee present their report on the Pharmacy Guild of Australia (SA Branch) for the financial year ended 30 June 2005.

The names of the Branch Committee in office at any time during or since the end of the year and the period for which the position was held are:

Name

I.P. Todd (Branch President – National Councillor)
 P.D. Simmons (Vice President Finance – National Councillor)
 P.J. Williams (Vice President – Alternate National Councillor) (Resigned 4/4/05)
 T.C. Draysey (Vice President)
 M.M. Broadbent
 M.P. Fietz
 B. Schultz
 C.S. Spencer

Committee members have been in office since the start of the financial year to the date of this report unless otherwise stated.

The surplus of the Branch for the financial year amounted to \$279,864.

A review of the Branch's principal activities during the financial year and the results of those activities and significant changes in the nature of these activities found that:

1. A loan from SAPC for the payment of the building works to be completed on the Dulwich site was received during the year amounting to \$500,000.
2. Guild training continued as the principal member service resulting in a net gain to the Branch of \$207,158.
3. Interest received from the Branch's investments continued to perform in line with expectations.

There has been no significant changes to the nature of the above activities during the year.

No significant changes in the Branch's financial affairs, other than those noted in the review of principal activities above, occurred during the financial year.

No officer or member of the Branch is a trustee or a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme.

Members of the Pharmacy Guild of Australia (SA Branch) are entitled to resign their membership pursuant to Section 36 of the Constitution of the Pharmacy Guild of Australia by written notice addressed and delivered to the Branch Director.

The number of persons who were, at the end of the financial year to which the report relates, recorded in the register of members under Section 230 of the Registration and Accountability of Organisations (RAO) Schedule and which are taken to be members of the Branch under section 244 of the RAO Schedule, was 297.

The number of persons who were, at the end of the financial year to which the report relates, employees of the Branch, where the number of employees includes both full time employees and part time employees measured on a full time equivalent basis was 15.

Signed in accordance with a resolution of the Branch Committee:

Branch President _____

Mr I.P. Todd

Dated this 9th day of August 2005

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2005

	Note	2005 \$	2004 \$
Revenue from ordinary activities	3	1,582,611	1,404,930
Expenses from ordinary activities	4	1,302,747	1,326,803
		<hr/>	<hr/>
Net surplus from ordinary activities	14	279,864	78,127
		<hr/>	<hr/>
Total changes in equity of the Guild		\$279,864	\$78,127
		<hr/>	<hr/>

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2005

	Note	2005 \$	2004 \$
CURRENT ASSETS			
Cash	6	609,871	172,918
Receivables	7	197,745	127,872
Investments	8	673,465	300,187
Other	9	474,522	28,751
Property plant and equipment	10	229,624	-
		<hr/>	<hr/>
TOTAL CURRENT ASSETS		2,185,227	629,728
		<hr/>	<hr/>
NON-CURRENT ASSETS			
Investments	8	-	503,278
Property, plant and equipment	10	126,102	385,641
		<hr/>	<hr/>
TOTAL NON-CURRENT ASSETS		126,102	888,919
		<hr/>	<hr/>
TOTAL ASSETS		2,311,329	1,518,647
		<hr/>	<hr/>
CURRENT LIABILITIES			
Payables	11	301,616	295,618
Provisions	12	46,006	39,186
		<hr/>	<hr/>
TOTAL CURRENT LIABILITIES		347,622	334,804
		<hr/>	<hr/>
NON CURRENT LIABILITIES			
Interest bearing liabilities		500,000	-
		<hr/>	<hr/>
TOTAL NON CURRENT LIABILITIES		500,000	-
		<hr/>	<hr/>
TOTAL LIABILITIES		847,622	334,804
		<hr/>	<hr/>
NET ASSETS		\$1,463,707	\$1,183,843
		<hr/>	<hr/>
EQUITY			
Reserves	13	127,491	107,547
Retained surplus	14	1,336,216	1,076,296
		<hr/>	<hr/>
TOTAL EQUITY		\$1,463,707	\$1,183,843
		<hr/>	<hr/>

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2005

	Note	2005 \$	2004 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Guild Insurance Ltd Commission		158,375	153,989
NTCPA and pharmacy training income		432,747	324,846
Receipts from Members		653,824	587,446
Receipts for administration		46,200	44,000
Interest received		78,105	71,240
Other receipts		51,963	98,075
Sales to members		33,296	68,551
Quality care income		18,729	77,888
DMMR/HMR receipts		55,000	52,250
Broadband Income		26,042	-
Needle Exchange		57,903	-
Pharmacy Liaison Officer		33,496	-
National Council dues		(408,091)	(364,950)
Payments for administration		(932,078)	(1,041,270)
GST Paid (net)		(44,954)	(15,279)
Interest paid		(3,541)	(2,333)
		<hr/>	<hr/>
Net cash provided by operating activities	18(b)	257,016	54,453
		<hr/>	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES			
(Payments) for plant and equipment		(5,358)	(40,854)
(Payments) for/receipts from investments		130,000	64,986
Proceeds from sale of property, plant and equipment		-	11,000
Deposit paid for Dulwich site		(444,705)	
		<hr/>	<hr/>
Net cash provided by / (used in) investing activities		(320,063)	35,132
		<hr/>	<hr/>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of borrowings		-	(100,000)
Proceeds from borrowings		500,000	-
		<hr/>	<hr/>
Net cash provided by/(used in) financing activities		500,000	(100,000)
		<hr/>	<hr/>
Net increase/(decrease) in cash held		436,953	(10,415)
Cash at the beginning of the financial year		172,918	183,333
		<hr/>	<hr/>
Cash at the end of the financial year	18(a)	\$609,871	\$172,918
		<hr/>	<hr/>

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Workplace Relations Act 1996. The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) INCOME TAX

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

(b) PROPERTY, PLANT AND EQUIPMENT

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

The carrying amount of property, plant and equipment is reviewed annually by the Branch Committee to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets' employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

Depreciation

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

The depreciation rates used for each class of depreciable asset are:

Class of Fixed Asset	Depreciation Rate
Office equipment and furniture	10% - 33 ¹ / ₃ %
Motor vehicles	15%

(c) INVESTMENTS

Current and Non-current investments are measured on the costs basis.

The carrying amount of investments is reviewed annually by the branch committee to ensure that it is not in excess of the recoverable amount of these investments. The recoverable amount is assessed against the market value. The expected net cash flows from investments have not been discounted to their present value in determining the recoverable amounts.

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005 (CONT)

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(d) EMPLOYEE ENTITLEMENTS

Provision is made for the Guild's liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at their nominal amount. Other employee entitlements payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those entitlements.

Contributions are made by the Guild to superannuation funds on behalf of employees and are charged as expenses when incurred.

(e) CASH

For the purpose of the statement of cash flows, cash includes cash on hand, at banks and on deposit. Cash on deposit earns interest at cash management rates.

(f) ACCRUED EXPENSES

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the Pharmacy Guild of Australia (SA Branch). Trade accounts payable are normally settled within 60 days.

(g) TRADE AND OTHER DEBTORS

Trade and other debtors are normally settled within 60 days and are carried at amounts due. The collectibility of debts is assessed at balance date and specific provision is made for any doubtful accounts.

(h) REVENUE

Subscriptions received are initially recognised as liabilities and brought to account as revenue in the period to which the subscription relates.

Interest revenue is recognised on a proportionate basis taking into account the interest rates applicable to the financial assets.

Training and Quality Care income are brought to account as revenue in the period in which the services are provided.

All revenue is brought to account net of the amount of goods and services tax (GST).

(i) COMPARATIVES

Where necessary and as required by legislation, comparative figures have been adjusted to conform with the presentation of the 2005 financial statements.

(j) IMPACT OF ADOPTION OF AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Guild is preparing and managing the transition to Australian equivalents to International Financial Reporting Standards (AIFRS) effective for the financial years commencing from 1 January 2005. The adoption of AIFRS will be reflected in the Guild's financial statements for the year ending 30 June 2006. On first time adoption of AIFRS, comparatives for the financial year ended 30 June 2005 are required to be restated.

The Guild's management, with the assistance of the auditors, has assessed whether or not there will be any changes on the implementation of AIFRS.

The Branch Committee are of the opinion that there are no key material differences in the Guild's accounting policies on conversion to AIFRS. Accordingly the amounts reported under AIFRS for 30 June 2005 are not expected to be materially different to those reported under Australian Accounting Standards.

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005 (CONT)

NOTE 2 INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

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

- (1) "A Member of a reporting unit, or a Registrar, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- (2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- (3) A reporting unit must comply with an application made under subsection (1)."

NOTE 3 REVENUE FROM ORDINARY ACTIVITIES

	2005	2004
	\$	\$
Operating Activities		
Members subscriptions	559,994	542,751
Nominal members subscription	2,317	2,572
Clearing house subscription	6,790	6,210
Administration fees - SA Pharmacists Co-operative Ltd	42,000	40,000
Commission	220,589	199,390
NTCPA and pharmacy training income	468,975	292,552
Quality care income	17,026	70,807
Needle exchange programme	57,903	44,124
Family care licence fee	-	3,000
Sundry income	66,061	63,549
DMMR/HMR income	50,000	47,500
HR Member Services	17,476	14,450
	<hr/>	<hr/>
	1,509,131	1,326,905
	<hr/>	<hr/>
Non-Operating Activities		
Interest received from other persons	73,480	67,025
Proceeds on disposal of property, plant and equipment	-	11,000
	<hr/>	<hr/>
	73,480	78,025
	<hr/>	<hr/>
	\$1,582,611	\$1,404,930
	<hr/>	<hr/>

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005 (CONT)

NOTE 4 EXPENSES FROM ORDINARY ACTIVITIES

	2005	2004
	\$	\$
Remuneration of auditor		
- audit or review service	4,270	4,000
- other services	500	500
	<hr/>	<hr/>
Total remuneration	4,770	4,500
Bank fees	3,541	3,935
Branch committee allowances	48,690	44,200
Committee expenses	5,268	1,319
Cleaning	3,924	4,245
Clearing house	4,726	4,947
Depreciation of property, plant and equipment	34,863	44,600
DMMR/HMR expenses	58,154	53,219
Entertainment	669	1,648
Fringe benefits tax	6,728	8,979
HR Member Services	34,864	32,543
Insurance	37,067	33,827
Industrial relations	-	2,421
Interest paid	-	2,333
Legal expenses	1,124	7,769
Motor vehicles	1,903	3,501
National Council dues	358,955	355,305
Needle exchange programme	17,603	7,573
Office and general	7,235	7,789
Outgoings – Guild	13,583	13,284
NTCPA and pharmacy training income	236,089	222,523
Postage and freight	5,012	3,622
Power and light	6,563	6,950
Printing and stationery	11,448	31,193
Provision for annual leave - employees	4,333	7,352
Provision for long service leave - employees	2,487	1,045
Repairs and maintenance	26,841	27,087
Salaries – employees	226,136	190,931
Salaries – Special Projects	14,187	43,798
Staff training	805	2,492
Subscriptions	2,641	4,441
Superannuation	76,604	63,004
Sundry expenses	15,204	11,380
Telephone	17,227	16,566
Quality care expenses	13,093	42,906
Written down value of property, plant and equipment sold	410	13,576
	<hr/>	<hr/>
	\$1,302,747	\$1,326,803
	<hr/>	<hr/>

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005 (CONT)

NOTE 5 REVENUE AND NET GAINS

	2005 \$	2004 \$
Net (loss) / gain on disposal of plant and equipment	-	(2,576)
	<u> </u>	<u> </u>
	\$ -	\$(2,576)
	<u> </u>	<u> </u>

NOTE 6 CASH

	2005 \$	2004 \$
Cash on hand	200	200
Cash at bank	609,671	172,718
	<u> </u>	<u> </u>
	\$609,871	\$172,918
	<u> </u>	<u> </u>

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005 (CONT)

NOTE 7 RECEIVABLES

	2005 \$	2004 \$
Trade debtors	37,128	40,301
Provisions for doubtful debts	(800)	(800)
	<u>36,328</u>	<u>39,501</u>
Other debtors	78,566	44,113
GST paid	24,510	25,260
Pharmacy Guild of Australia	53,313	18,998
Pharmacy Guild of Australia – NSW Branch	5,028	-
	<u>\$197,745</u>	<u>\$127,872</u>

NOTE 8 INVESTMENTS

	2005 \$	2004 \$
Current		
Investments: other than public investments – at cost	<u>673,465</u>	<u>300,187</u>
Non-Current		
Investments: other than public investments – at cost	<u>-</u>	<u>503,278</u>
	<u>\$673,465</u>	<u>\$803,465</u>
Market value of investments: other than public investments.	<u>\$857,750</u>	<u>\$803,465</u>

Recorded in Current Investments: other than public investments are the units held by the Branch in the Guild Properties (South Australia) Unit Trust. The Branch owns 100% of the units in the unit trust. The major asset of the unit trust is the property at 451 Pulteney Street Adelaide SA 5000. The Branch has entered into an agreement to sell this property for \$687,750. Settlement of the property occurs on 1 July 2005.

NOTE 9 OTHER ASSETS

	2005 \$	2004 \$
Prepayments	29,817	28,751
Dulwich building site deposit	444,705	-
	<u>\$474,522</u>	<u>\$28,751</u>

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005 (CONT)

NOTE 10 PROPERTY, PLANT AND EQUIPMENT	2005 \$	2004 \$
Current		
Land held for sale at cost	229,624	-
Total Current Property, Plant and Equipment	\$229,624	\$ -
Non-Current		
Land	-	229,624
Office equipment and furniture – at cost	261,699	258,186
Less accumulated depreciation	(167,712)	(141,291)
	93,987	116,895
Motor vehicles – at cost	46,713	46,713
Less accumulated depreciation	(14,598)	(7,591)
	32,115	39,122
Total Non-Current Property, Plant and Equipment	\$126,102	\$385,641
Total Property Plant and Equipment	\$355,726	\$385,641

The Branch has entered into an agreement to sell the land classified as held for sale for \$435,000. Settlement of the land occurs on 1 July 2005.

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

2005	Land held for sale \$	Office equipment and furniture \$	Motor vehicles \$	Land \$	Total \$
Balance at the beginning of the year	-	116,895	39,122	229,624	385,641
Additions	-	5,358	-	-	5,358
Disposals	-	(410)	-	-	(410)
Depreciation expense	-	(27,856)	(7,007)	-	(34,863)
Transfers	229,624	-	-	(229,624)	-
Carrying amount at the end of the year	\$229,624	\$93,987	\$32,115	\$ -	\$355,726

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005 (CONT)

NOTE 10 PROPERTY, PLANT AND EQUIPMENT (CONT)

2004	Office equipment and furniture \$	Motor vehicles \$	Land \$	Total \$
Balance at the beginning of the year	108,542	64,796	229,624	402,962
Additions	40,855	-	-	40,855
Disposals	-	(13,576)	-	(13,576)
Depreciation expense	(32,502)	(12,098)	-	(44,600)
	<hr/>	<hr/>	<hr/>	<hr/>
Carrying amount at the end of the year	\$116,895	\$39,122	\$229,624	\$385,641
	<hr/>	<hr/>	<hr/>	<hr/>

NOTE 11 PAYABLES

	2005 \$	2004 \$
Current		
Trade creditors and accruals	40,739	67,734
Subscriptions received in advance	238,845	192,431
GST received	22,032	20,367
Legal costs payable	-	2,814
Pharmacy Guild of Australia – Queensland branch	-	235
Pharmacy Guild of Australia – National Office	-	12,037
	<hr/>	<hr/>
	\$301,616	\$295,618
	<hr/>	<hr/>

NOTE 12 PROVISIONS

	2005 \$	2004 \$
Provision for annual leave – employees	21,939	16,534
Provision for annual leave – holders of office	-	1,072
Provision for long service leave - employees	24,067	13,518
Provision for long service leave – holders of office	-	8,062
	<hr/>	<hr/>
Aggregate employee entitlement liability	\$46,006	\$39,186
	<hr/>	<hr/>
Number of employees at year end	15	8
	<hr/>	<hr/>

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005 (CONT)

NOTE 13 RESERVES	2005 \$	2004 \$
Parity Fund	2,253	2,253
Community Practice Fund	628	628
GuildScript	43,008	47,210
DMMR reserve	14,751	22,905
DASC reserve	66,851	34,551
	<u>127,491</u>	<u>107,547</u>

(a) Parity Fund

The Parity Fund was established from contributions by Members to investigate the effects of the Income Tax Assessment Act upon Guild Members.

	2005 \$	2004 \$
Opening balance	2,253	2,253
	<u>2,253</u>	<u>2,253</u>
Closing balance	\$2,253	\$2,253
	<u>\$2,253</u>	<u>\$2,253</u>
Represented by		
Cash at bank and investments	\$2,253	\$2,253
	<u>\$2,253</u>	<u>\$2,253</u>

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005 (CONT)

NOTE 13 RESERVES (CONT)

(b) Community Practice Fund

The Community Practice Fund was established in consultation with various industry representatives. This fund is designed to establish a community practice unit at the University of South Australia to provide information on the community needs with respect to pharmacy requirements.

	2005 \$	2004 \$
Opening balance	628	628
	<hr/>	<hr/>
Closing balance	\$628	\$628
	<hr/>	<hr/>
Represented by:		
Cash at bank and investments	\$628	\$628
	<hr/>	<hr/>

(c) GuildScript Fund

The GuildScript Fund is used to promote the use of GuildScript products.

	2005 \$	2004 \$
Opening balance	47,210	80,952
Transfer from / (to) retained surplus	(4,202)	(5,118)
Transfer to DMMR reserve	-	(28,624)
	<hr/>	<hr/>
	\$43,008	\$47,210
	<hr/>	<hr/>
Represented by:		
Cash at bank and investments	\$43,008	\$47,210
	<hr/>	<hr/>

(d) DMMR Reserve

The DMMR reserve is used to fund limited State Medication Management Review Facilitation Services

	2005 \$	2004 \$
Opening balance	-	-
Transfer from Guildscript fund	22,905	28,624
Transfer to Retained surplus	(8,154)	(5,719)
	<hr/>	<hr/>
Closing balance	\$14,751	\$22,905
	<hr/>	<hr/>
Represented by:		
Cash at bank and investments	\$14,751	\$22,905
	<hr/>	<hr/>

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005 (CONT)

NOTE 13 RESERVES (CONT)

(e) DASC – needle exchange reserve

The DASC needle exchange reserve is used for disposal of used syringes and further education

	2005	2004
	\$	\$
Opening balance	34,551	-
Transfer from Retained surplus	32,300	34,551
	<hr/>	<hr/>
Closing balance	\$66,851	\$34,551
	<hr/>	<hr/>
Represented by:		
Cash at bank and investments	\$66,851	\$34,551
	<hr/>	<hr/>

NOTE 14 RETAINED SURPLUS

	2005	2004
	\$	\$
Retained surplus at the beginning of the financial year	1,076,296	1,021,883
Net surplus	279,864	78,127
Transferred (to) / from GuildScript Fund	4,202	5,118
Transfer from DMMR reserve	8,154	5,719
Transfer to DASC needle exchange reserve	(32,300)	(34,551)
	<hr/>	<hr/>
Net transfer to retained surplus	259,920	54,413
	<hr/>	<hr/>
Retained surplus at the end of the financial year	\$1,336,216	\$1,076,296
	<hr/>	<hr/>

NOTE 15 COMMITMENTS

The Branch has the following property rental commitment due not later than one year

\$ -	\$ -
<hr/>	<hr/>

The Branch has the following commitment for the purchase of land and the construction of a building at Greenhill Road, Dulwich due not later than one year

\$2,391,745	\$ -
<hr/>	<hr/>

The amount disclosed above is recorded net of the deposit already paid, which is disclosed at note 9, and net of GST.

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005 (CONT)

NOTE 16 RELATED PARTIES

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

M Broadbent	M Fietz
T Draysey	B Schultz
C Spencer	P Williams
P Simmons	
I Todd	

- b) The ultimate controlling entity of The Pharmacy Guild of Australia (SA Branch) is The Pharmacy Guild of Australia.

- c) The aggregate of Branch Committee Members' and Branch Director's remuneration is as follows:

	2005 \$	2004 \$
Committee Members' and Branch Directors' remuneration		
- Gross remuneration	186,619	144,168
- Reimbursed by National Secretariat	-	(750)
	<hr/>	<hr/>
Total remuneration	\$186,619	\$143,418
	<hr/>	<hr/>
<i>Remuneration – employees (other than holders of office)</i>	\$495,005	\$421,000
The aggregate amount of employee benefits payable to the Branch Director at the end of the year was	\$7,451	\$9,134
<i>The aggregate amount of employee benefits payable to Employees (other than the Branch Director and Branch Committee Members')</i>	\$38,555	\$30,052

- d) The aggregate amount paid during the year to a superannuation fund by The Pharmacy Guild of Australia (SA Branch) in connection with the retirement of any Branch Committee Member or Branch Director and not included as remuneration in note 16 (c) was \$22,069 (2004 \$22,991).

- e) Branch Committee Members may utilise the clearing house and members services accounts on the same terms and conditions as other Guild Members.

- f) Amounts receivable for commissions from related parties - current.

	2005 \$	2004 \$
National Services Division	-	-
Guild Insurance Ltd	\$15,000	\$8,000

The above commissions are calculated at rates determined by the National Services Division and the Guild Insurance Ltd respectively.

- g) The aggregate of commission income received or receivable from related entities:

	2005 \$	2004 \$
National Services Division	-	-
Guild Insurance Ltd	\$150,977	\$139,081

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005 (CONT)

NOTE 17 SEGMENT REPORTING

The Pharmacy Guild of Australia (SA Branch) operates wholly within the pharmaceutical industry in South Australia as an employer organisation.

NOTE 18 CASH FLOW INFORMATION

	2005 \$	2004 \$
(a) Reconciliation of cash		
Cash on hand	200	200
Cash at bank	609,671	172,718
	<hr/>	<hr/>
	\$609,871	\$172,918
	<hr/>	<hr/>
(b) Reconciliation of net surplus from ordinary activities to net cash provided by operating activities		
Surplus from ordinary activities	279,864	78,127
Non-cash flows in net surplus from ordinary activities:		
Depreciation	34,863	44,600
Net (surplus)/deficit on disposal of plant and equipment	410	2,576
Changes in assets and liabilities:		
(Increase)/decrease in receivables	(69,873)	(2,766)
(Increase)/decrease in prepayments	(1,066)	(4,898)
Increase/(decrease) in payables	5,998	(71,584)
Increase/(decrease) in provisions	6,820	8,398
	<hr/>	<hr/>
Net cash provided by operating activities	\$257,016	\$54,453
	<hr/>	<hr/>
(c) At balance date, the branch had a loan outstanding of \$500,000 (2004 \$NIL). The loan does not have a redraw facility and repayments can be made at any time.		
(d) There were no non-cash financing or investing activities during the period.		

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005 (CONT)

NOTE 19 FINANCIAL INSTRUMENTS DISCLOSURE

a) Interest Rate Risk

The Pharmacy Guild of Australia (SA Branch) exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates, and the effective weighted average interest rates on those financial assets and financial liabilities is as follows:

2005	<u>Fixed Interest Maturing In</u>					Total
	Floating Interest rate	1 year or less	1 to 5 years	Over 5 years	Non interest bearing	
Financial Assets	\$	\$	\$	\$	\$	\$
Cash	609,671	-	-	-	200	609,871
Investments	-	170,000	-	-	503,465	673,465
Trade and other debtors	-	-	-	-	197,745	197,745
	<u>\$609,671</u>	<u>\$170,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$701,410</u>	<u>\$1,481,081</u>
Weighted average interest rate	5.2%	5.5%	0%	0%		
Financial Liabilities						
Trade creditors and accruals	-	-	-	-	62,771	62,771
Subscriptions received in advance	-	-	-	-	238,845	238,845
Interest bearing liabilities	-	-	-	500,000	-	500,000
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$500,000</u>	<u>\$301,616</u>	<u>\$801,616</u>
Weighted average interest rate	0%	0%	0%	7.5%		

2004	<u>Fixed Interest Maturing In</u>				Total
	Floating interest rate	1 year or less	1 to 5 years	Non interest bearing	
Financial Assets	\$	\$	\$	\$	\$
Cash	172,718	-	-	200	172,918
Investments	-	300,000	-	503,465	803,465
Trade and other debtors	-	-	-	127,872	127,872
	<u>\$172,718</u>	<u>\$300,000</u>	<u>\$ -</u>	<u>\$631,537</u>	<u>\$1,104,255</u>
Weighted average interest rate	5.2%	5.4%	0%		

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005 (CONT)

NOTE 19 FINANCIAL INSTRUMENTS DISCLOSURE (CONT)

2004

Financial Liabilities	Fixed Interest Maturing In			Non interest bearing	Total
	Floating interest rate	1 year or less	1 to 5 years		
	\$	\$	\$	\$	\$
Trade creditors and accruals	-	-	-	103,187	103,187
Subscriptions received in advance	-	-	-	192,431	192,431
Interest bearing liabilities	-	-	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$295,618</u>	<u>\$295,618</u>
Weighted average interest rate	0%	0%	0%		

b) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes to the financial statements.

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

(c) Net Fair Values

Methods and assumptions used in determining net fair value.

The net fair values of listed investments have been valued at the quoted market bid price at balance date adjusted for transaction costs expected to be incurred. 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 other than listed investments. Financial assets where the carrying amount exceeds net fair values have not been written down as the Branch intends to hold these assets to maturity.

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

NOTE 20 BRANCH DETAILS

The principal place of business of the branch is:

The Pharmacy Guild of Australia (SA Branch)
451 Pulteney Street
ADELAIDE SA 5000

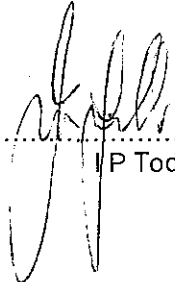
THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

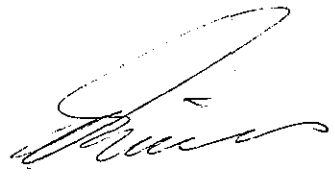
BRANCH COMMITTEE'S STATEMENT

We, Ian Philip Todd, and Paul David Simmons being the Branch President and Vice President (Finance) of The Pharmacy Guild of Australia (SA Branch), do declare on behalf of the Branch Committee and in accordance with a resolution passed by the Branch Committee on 8th August 2005, that in the opinion of the Branch Committee:

1. The financial statements and notes comply with the Australian Accounting Standards;
2. The financial statements and notes comply with the reporting guidelines of the Industrial Registrar
3. The financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Branch for the financial year to which they relate;
4. There are reasonable grounds to believe that the Branch will be able to pay its debts as and when they become due and payable; and
5. During the year ended 30 June 2005 and since the end of that year;
 - i. Meetings of the Branch Committee were held in accordance with the rules of the Pharmacy Guild of Australia including the rules of the Branch; and
 - ii. The financial affairs of the Branch have been managed in accordance with the rules of the Pharmacy Guild of Australia including the rules of the Branch; and
 - iii. The financial records of the Branch have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
 - iv. The financial records of the Branch have been kept, as far as practicable, in a consistent manner to each of the other Branches of the Pharmacy Guild of Australia; and
 - v. The information sought in any request of a member of the Branch or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the member or Registrar; and
 - vi. There has been compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.

Signed this *9th* day of *August* 2005.


.....
P Todd


.....
P D Simmons



Angas House, 4 - 8 Angas Street
Kent Town, South Australia 5067
GPO Box 2163 Adelaide SA 5001
DX 240 Adelaide
Telephone 08 8139 1111
Facsimile 08 8139 1100
info@edwardsmarshall.com.au
edwardsmarshall.com.au

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

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

SCOPE

The financial report and Branch Committee's responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the Branch Committee's statement of the Guild ("Pharmacy Guild of Australia (SA Branch)"), for the year ended 30 June 2005.

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

Audit approach

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

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

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

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

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

INDEPENDENCE

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

AUDIT OPINION

In our opinion, the financial report presents fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia and the Workplace Relations Act, 1996 the financial position of the Pharmacy Guild of Australia (SA Branch) as at 30 June 2005, and its financial performance and its cash flows for the year then ended.

We have obtained all of the information and explanations required from the Guild.

Edwards Marshall
Chartered Accountants

Jamie Dreckow – Approved Auditor
(Partner)

Adelaide
South Australia

Dated 9 August 2005

Partners

Brenton W Ellery FCA
Brian T Morris FCA
Hugh L McPharlin FCA
Jonathon W Sando FCA
Trevor J Spratt FCA
Steven M Wild FCA
Noel W Clifford FCA
Jamie T Dreckow CA
Geoffrey R Kay CA
Benjamin L T Miels CA
Angelo R Piantadosi FCA
Grantley W Stevens CA

Senior Employees

Paul A Dutton CA
Paul Feltrin CA
Belinda C Goedecke FCA
Daniel Pezzuto CA
Leanne Thomas CA
Carly Thornton CA
Nicholas K Wilkins FCA