



**Australian Government**  
**Australian Industrial Registry**

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Mr Ian Todd  
President  
The Pharmacy Guild of Australia, South Australian Branch

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

Dear Mr Todd

**Re: Financial Reports for The Pharmacy Guild of Australia, South Australian Branch for year ended 30 June 2006, 2007 and 2008 – FR2006/440, FR2007/426 & FR2008/357**

I acknowledge receipt of the revised financial reports for The Pharmacy Guild of Australia, South Australian Branch for the years ended 30 June 2006 and 2007 in response to correspondence of the Registry dated 28 May 2008 and the financial report for the year ended 30 June 2008. The reports were lodged with the Registry on 25 September 2008.

In correspondence dated 28 May 2008 it was indicated, that the reports should be redistributed to Members and represented to a general meeting of members. The reports were presented to a general meeting of members on 22 September 2008 as requested along with the 2008 financial report. The financial reports have now been filed.

Ordinarily we would advise you of matters that you should take into account in preparation of financial reports. However, as the 2007 and 2008 reports have already been completed this would seem redundant. Nonetheless I have noted the following matters I have identified where the documentation does not fully comply with the requirements of Schedule 1 contained in the 2008 report. Could you ensure that these matters are addressed in future reports.

***Operating Report***

*Right of members to resign*

Subsection 254(2)(c) requires the operating report to “give details” of the right of members to resign from the reporting unit under section 174 of the RAO Schedule. This requirement may be met by the inclusion of a statement that a member has the right to resign and a reference to the relevant rule, which makes such provision. Alternatively, the complete text of the relevant resignation rule may be reproduced in the report. It would appear in this case that rule 36 of the organisation’s Rules is applicable.

I note that the information provided does not meet either of the above requirements. Future financial reports should provide the required information.

*Schedule 1*

Reference to Schedule 1B of the Act, should properly refer to Schedule 1.

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

Yours sincerely

A handwritten signature in black ink, appearing to read 'K Donnellan', with a long horizontal flourish extending to the right.

Kevin Donnellan

Statutory Services Branch  
7 October 2008



Designated Officer's Certificate

I, Ian Todd, being the Branch President of the Pharmacy Guild of Australia (SA Branch) certify:

- That the documents lodged herewith are copies of the full report (financial year 2006), referred to in s268 of the RAO schedule; and
- That the full report was provided to members of the Branch on Monday the 1<sup>st</sup> September 2008; and
- That the full report was presented to the Annual General Meeting of members of the Pharmacy Guild of Australia (SA Branch) on Monday the 22<sup>nd</sup> September 2008; in accordance with Section 266 of the RAO Schedule

Ian Todd  
Branch President  
Pharmacy Guild of Australia (SA Branch)

22<sup>nd</sup> September 2008

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)  
FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2006

THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

OPERATING REPORT FOR THE YEAR ENDED 30 JUNE 2006

Your Branch Committee present their report on the Pharmacy Guild of Australia (SA Branch) for the financial year ended 30 June 2006.

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)
- B. R. Schultz (Vice President – National Councillor)
- P.D. Simmons (Vice President Finance)
- T.C. Draysey (Vice President – Alternate National Councillor)
- P. J. Drury
- P. N. Hocking
- S. McGregor
- Z. Seman

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 \$450,089.

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. 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.

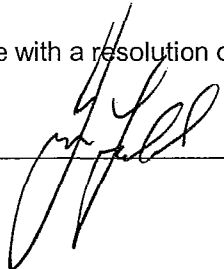
Members of the Pharmacy Guild of Australia (SA Branch) are entitled to resign their membership pursuant to Section 36 of the Constitution of the Pharmacy Guild of Australia by written notice addressed and delivered to the Branch Director.

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 1 day of SEP 2006

## THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

## INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2006

	Note	2006 \$	2005 \$
Revenue	3	1,947,002	1,582,611
Employee benefits expense		(352,322)	(331,280)
Depreciation expense		(31,962)	(34,863)
Finance Costs		(65,724)	(3,541)
National Council Dues		(374,563)	(358,955)
NT CPA and Pharmacy Training expenses		(269,450)	(236,089)
DMMR/HMR expenses		(52,752)	(58,154)
Branch Committee Allowances		(50,287)	(48,690)
Insurance		(32,881)	(37,067)
HR Member Services		(34,996)	(34,864)
Repairs & Maintenance expense		(33,139)	(26,841)
Telephone expense		(18,987)	(17,227)
Other expenses	4	(179,850)	(115,176)
		<hr/>	<hr/>
Profit from operations		\$450,089	\$279,864
		<hr/>	<hr/>

## THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

## BALANCE SHEET AS AT 30 JUNE 2006

	Note	2006 \$	2005 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	163,448	609,871
Trade and other Receivables	6	207,228	197,745
Financial Assets	7	70,000	673,465
Land held for sale	9	-	229,624
Other current assets	8	35,167	474,522
		<hr/>	<hr/>
<b>TOTAL CURRENT ASSETS</b>		<b>475,843</b>	<b>2,185,227</b>
		<hr/>	<hr/>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	9	2,098,388	126,102
Investment property	10	1,016,964	-
		<hr/>	<hr/>
<b>TOTAL NON-CURRENT ASSETS</b>		<b>3,115,352</b>	<b>126,102</b>
		<hr/>	<hr/>
<b>TOTAL ASSETS</b>		<b>3,591,195</b>	<b>2,311,329</b>
		<hr/>	<hr/>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	361,042	323,555
Short-term provisions	12	16,357	24,067
		<hr/>	<hr/>
<b>TOTAL CURRENT LIABILITIES</b>		<b>377,399</b>	<b>347,622</b>
		<hr/>	<hr/>
<b>NON CURRENT LIABILITIES</b>			
Long-term borrowings		1,300,000	500,000
		<hr/>	<hr/>
<b>TOTAL NON CURRENT LIABILITIES</b>		<b>1,300,000</b>	<b>500,000</b>
		<hr/>	<hr/>
<b>TOTAL LIABILITIES</b>		<b>1,677,399</b>	<b>847,622</b>
		<hr/>	<hr/>
<b>NET ASSETS</b>		<b>\$1,913,796</b>	<b>\$1,463,707</b>
		<hr/>	<hr/>
<b>EQUITY</b>			
Reserves	13	159,490	127,491
Retained earnings		1,754,306	1,336,216
		<hr/>	<hr/>
<b>TOTAL EQUITY</b>		<b>\$1,913,796</b>	<b>\$1,463,707</b>
		<hr/>	<hr/>

## THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2006

	Retained Earnings \$	Parity Fund \$	Community Practice Fund \$	Guildscript \$	DMMR Reserve \$	DASC Reserve \$	Total \$
<b>Balance at 1 July 2004</b>	1,076,296	2,253	628	47,210	22,905	34,551	1,183,843
Profit attributable members	279,864	-	-	-	-	-	279,864
Transfers - to and from reserves / funds	(19,944)	-	-	(4,202)	(8,154)	32,300	-
<b>Balance at 30 June 2005</b>	1,336,216	2,253	628	43,008	14,751	66,851	1,463,707
Profit attributable members	450,089	-	-	-	-	-	450,089
Transfers - to and from reserves / funds	(31,999)	-	-	-	3,846	28,153	-
<b>Balance at 30 June 2006</b>	<u>\$1,754,306</u>	<u>\$2,253</u>	<u>\$628</u>	<u>\$43,008</u>	<u>\$18,957</u>	<u>\$95,004</u>	<u>\$1,913,796</u>



## THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

## CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2006

	Note	2006 \$	2005 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Guild Insurance Ltd Commission		172,966	158,375
NTCPA and pharmacy training income		479,840	432,747
Receipts from Members		628,898	653,824
Receipts for administration		49,500	46,200
Interest received		38,491	78,105
Other receipts		137,011	51,963
Sales to members		71,952	33,296
Quality care income		-	18,729
DMMR/HMR receipt		89,758	55,000
Broadband Income		-	26,042
Needle Exchange		28,152	57,903
Pharmacy Liaison Officer		34,995	33,496
National Council dues		(374,563)	(408,091)
Payments for administration		(1,182,547)	(932,078)
GST Paid (net)		63,202	(44,954)
Interest paid		(59,474)	(3,541)
Net cash provided by operating activities	17(b)	<u>178,181</u>	<u>257,016</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
(Payments) for plant and equipment		(41,355)	(5,358)
(Payments) for/receipts from investments		100,787	130,000
Proceeds from sale of property, plant and equipment		1,122,150	-
Payments for land & buildings		(2,606,186)	(444,705)
Net cash provided by / (used in) investing activities		<u>(1,424,604)</u>	<u>(320,063)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayments of borrowings		(100,000)	-
Proceeds from borrowings		900,000	500,000
Net cash provided by/(used in) financing activities		<u>800,000</u>	<u>500,000</u>
Net increase/(decrease) in cash held		(446,423)	436,953
Cash at the beginning of the financial year		609,871	172,918
Cash at the end of the financial year	17(a)	<u>\$163,448</u>	<u>\$609,871</u>

## THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

## 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 Interpretations 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.

## (i) Investment Property

The land and buildings owned by the branch has been disclosed as an investment property to the extent that it is available for occupation by external tenants.

The Branch has applied the cost model in determining the value of the property.

No material amounts have been recognised in profit or loss for the year in respect of rental income or direct operating expenses as the development of the property was only completed at the end of the financial year. Rental income is anticipated to commence in the 2007 financial year.

## (ii) Other Property, Plant and equipment

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 $\frac{1}{3}$ %
Motor vehicles	15%
Buildings	2 $\frac{1}{2}$

## THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006 (CONT)

## NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

## (c) FINANCIAL INSTRUMENTS

## (i) Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

## (ii) Available-for-sale financial assets

Available-for-sale financial assets have been measured at cost. The directors are of the opinion that the fair value of available-for-sale financial assets does not materially differ from their cost.

## (iii) Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debit less principal payments and amortisation.

## (iv) Impairment

At each reporting date, the Guild reviews the carrying value of its assets to determine whether there is any indication that those assets have been impaired. In the case of available for-sale financial assets, a prolonged decline in the value of the asset is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

In respect of other assets, if such an indication exists, the recoverable amount of the asset, being the asset's fair value, less costs to sell and value in vie, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the Guild estimates the recoverable amount of the cash-generating-unit to which the asset belongs.

## (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 AND CASH EQUIVALENTS

For the purpose of the cash flow statement, 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.

## THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006 (CONT)

## NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

## (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 2006 financial statements.

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

The adoption of AIFRS has been 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 have been restated where necessary.

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

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

## 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)."

## THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006 (CONT)

## NOTE 3 REVENUE FROM ORDINARY ACTIVITIES

	2006	2005
	\$	\$
Operating Activities		
Members subscriptions	583,374	559,994
Nominal members subscription	2,263	2,317
Clearing house subscription	7,167	6,790
Administration fees - SA Pharmacists Co-operative Ltd	45,000	42,000
Commission	260,719	220,589
NTCPA and pharmacy training income	428,662	468,975
Quality care income	-	17,026
Needle exchange programme	28,152	57,903
Sundry income	75,747	66,061
DMMR/HMR income	56,598	50,000
HR Member Services	34,995	17,476
Profit on sale of property	389,848	-
	<hr/>	<hr/>
	1,912,525	1,509,131
	<hr/>	<hr/>
Non-Operating Activities		
Interest received from other persons	34,477	73,480
	<hr/>	<hr/>
	\$1,947,002	\$1,582,611
	<hr/>	<hr/>

## THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006 (CONT)

## NOTE 4 OTHER EXPENSES FROM ORDINARY ACTIVITIES

	2006 \$	2005 \$
Remuneration of auditor		
- audit or review service	4,600	4,270
- other services	-	500
	<hr/>	<hr/>
Total remuneration	4,600	4,770
Committee expenses	5,312	5,268
Cleaning	4,475	3,924
Clearing house	3,604	4,726
Entertainment	545	669
Legal expenses	-	1,124
Motor vehicles	2,644	1,903
Needle exchange programme	-	17,603
Office and general	20,521	7,235
Outgoings – Guild	29,898	13,583
Postage and freight	3,303	5,012
Power and light	7,178	6,563
Printing and stationery	12,692	11,448
Subscriptions	4,120	2,641
Sundry expenses	80,958	15,204
Quality care expenses	-	13,093
Written down value of property, plant and equipment sold	-	410
	<hr/>	<hr/>
	\$179,850	\$115,176
	<hr/>	<hr/>

## NOTE 5 CASH AND CASH EQUIVALENTS

	2006 \$	2005 \$
Cash on hand	200	200
Cash at bank	163,248	609,671
	<hr/>	<hr/>
	\$163,448	\$609,871
	<hr/>	<hr/>

## THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006 (CONT)

## NOTE 6 TRADE AND OTHER RECEIVABLES

	2006 \$	2005 \$
Trade debtors	26,106	37,128
Provisions for impairment	(800)	(800)
	<hr/> 25,306	<hr/> 36,328
Other debtors	36,057	78,566
GST paid	94,500	24,510
Pharmacy Guild of Australia	51,077	53,313
Pharmacy Guild of Australia – NSW Branch	288	5,028
	<hr/> \$207,228	<hr/> \$197,745

## NOTE 7 FINANCIAL ASSETS

	2006 \$	2005 \$
Current		
Available-for-Sale financial assets other than public investments – at cost	70,000	673,465
	<hr/> \$70,000	<hr/> \$673,465
Market value of Available-for-Sale financial assets: other than public investments.	<hr/> \$70,000	<hr/> \$857,750

## NOTE 8 OTHER CURRENT ASSETS

	2006 \$	2005 \$
Prepayments	35,167	29,817
Dulwich building site deposit	-	444,705
	<hr/> \$35,167	<hr/> \$474,522

## THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006 (CONT)

NOTE 9 PROPERTY, PLANT AND EQUIPMENT	2006	2005
	\$	\$
Current		
Land held for sale at cost	-	229,624
Total Current Property, Plant and Equipment	-	229,624
Non-Current		
Land	844,570	-
Building	1,185,640	-
Office equipment and furniture – at cost	139,637	261,699
Less accumulated depreciation	(120,258)	(167,712)
	19,379	93,987
Motor vehicles – at cost	71,327	46,713
Less accumulated depreciation	(22,528)	(14,598)
	48,799	32,115
Total Non-Current Property, Plant and Equipment	\$2,098,388	\$126,102
Total Property Plant and Equipment	\$2,098,388	\$355,726

The Branch entered into an agreement to sell the land classified as held for sale for \$435,000. Settlement of the land occurred 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 2006 (CONT)

## NOTE 9 PROPERTY, PLANT AND EQUIPMENT (CONT)

2006	Land \$	Buildings \$	Land held for sale \$	Office equipment and furniture \$	Motor vehicles \$	Total \$
Balance at the beginning of the year	-	-	229,624	93,987	32,115	355,726
Additions	844,570	1,189,357	-	12,269	24,614	2,070,810
Disposals	-	-	(229,624)	(66,562)	-	(296,186)
Depreciation expense	-	(3,717)	-	(20,315)	(7,930)	(31,962)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Carrying amount at the end of the year	\$844,570	\$1,185,640	\$ -	\$19,379	\$48,799	\$2,098,388
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

## NOTE 10 INVESTMENT PROPERTY

	2006 \$	2005 \$
Land - at cost	422,285	-
Building - at cost	594,679	-
	<hr/>	<hr/>
	\$1,016,964	\$ -
	<hr/>	<hr/>

## NOTE 11 TRADE AND OTHER PAYABLES

	2006 \$	2005 \$
Current		
Grants in advance	25,000	-
Trade creditors and accruals	72,228	40,739
Subscriptions received in advance	217,766	238,845
GST received	20,105	22,032
Legal costs payable	-	-
Pharmacy Guild of Australia - Queensland branch	-	-
Pharmacy Guild of Australia - National Office	-	-
Employee benefits - annual leave - employees	25,943	21,939
- annual leave - office holders	-	-
	<hr/>	<hr/>
	\$361,042	\$323,555
	<hr/>	<hr/>

## NOTE 12 SHORT-TERM PROVISIONS

	2006 \$	2005 \$
Provision for long service leave - employees	16,357	24,067
Provision for long service leave - holders of office	-	-
	<hr/>	<hr/>
Aggregate employee entitlement liability	\$16,357	\$24,067
	<hr/>	<hr/>
Number of employees at year end	15	15

## THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006 (CONT)

NOTE 12 SHORT-TERM PROVISIONS (CONT)	2006	2005
	\$	\$
Movement in provisions		
Opening Balance 1 July 2005 – provision for long service leave	24,067	21,580
Additional provision raised during the year	(7,710)	2,487
	<hr/>	<hr/>
Balance at 30 June 2006	\$16,357	\$24,067
	<hr/>	<hr/>
Number of employees at year end	15	15
NOTE 13 RESERVES	2006	2005
	\$	\$
Parity Fund	2,253	2,253
Community Practice Fund	628	628
GuildScript	43,008	43,008
DMMR reserve	18,597	14,751
DASC reserve	95,004	66,851
	<hr/>	<hr/>
	\$159,490	\$127,491
	<hr/>	<hr/>
Represented by cash and investments	\$159,490	\$127,491

## (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.

## (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.

## (c) GuildScript Fund

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

## (d) DMMR Reserve

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

## (e) DASC – needle exchange reserve

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

## NOTE 14 COMMITMENTS

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 8, and net of GST.

## THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006 (CONT)

## NOTE 15 RELATED PARTIES

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

T Draysey	P Simmons
P J Drury	I Todd
P N Hocking	B R Schultz
S McGregor	Z Seman

- 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:

	2006 \$	2005 \$
Committee Members' and Branch Directors' remuneration		
- Gross remuneration	182,755	186,619
- Reimbursed by National Secretariat	-	-
	<hr/>	<hr/>
Total remuneration	\$182,755	\$186,619
	<hr/>	<hr/>
<i>Remuneration – employees including Branch Director (other than holders of office)</i>	\$506,458	\$495,005
The aggregate amount of employee benefits payable to the Branch Director at the end of the year was	\$6,620	\$7,451
<i>The aggregate amount of employee benefits payable to Employees (other than the Branch Director and Branch Committee Members')</i>	\$35,680	\$38,555

- 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 15 (c) was \$27,960 (2005 \$22,069).

- 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.

	2006 \$	2005 \$
National Services Division	-	-
Guild Insurance Ltd	\$9,800	\$15,000

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:

	2006 \$	2005 \$
National Services Division	-	-
Guild Insurance Ltd	\$152,042	\$150,977

## THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006 (CONT)

## NOTE 16 SEGMENT REPORTING

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

## NOTE 17 CASH FLOW INFORMATION

	2006 \$	2005 \$
(a) Reconciliation of cash		
Cash on hand	200	200
Cash at bank	163,248	609,671
	<hr/>	<hr/>
	\$163,448	\$609,871
	<hr/>	<hr/>
(b) Reconciliation of profit from operations activities to net cash provided by operating activities		
Profit from operations	450,089	279,864
Non-cash flows in profit from operations:		
Depreciation	31,962	34,863
Net (surplus)/deficit on disposal of plant and equipment	71,034	410
Profit on sale of property	(389,848)	-
Changes in assets and liabilities:		
(Increase)/decrease in receivables	(9,483)	(69,873)
(Increase)/decrease in prepayments	(5,350)	(1,066)
Increase/(decrease) in payables	37,487	5,998
Increase/(decrease) in provisions	(7,710)	6,820
	<hr/>	<hr/>
Net cash provided by operating activities	\$178,181	\$257,016
	<hr/>	<hr/>

(c) At balance date, the branch had a loan outstanding of \$1,300,000 (2005 \$500,000). 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 2006 (CONT)

## NOTE 18 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%		
<b>Financial Liabilities</b>						
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%		
<b>2006</b>						
	<u>Fixed Interest Maturing In</u>					Total
Financial Assets	Floating interest rate	1 year or less	1 to 5 years	Non interest bearing	Total	
	\$	\$	\$	\$	\$	
Cash	163,248	-	-	200	163,448	
Investments	-	70,000	-	-	70,000	
Trade and other debtors	-	-	-	207,228	207,228	
	<u>\$163,248</u>	<u>\$70,000</u>	<u>\$ -</u>	<u>\$207,428</u>	<u>\$440,676</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 2006 (CONT)

## NOTE 18 FINANCIAL INSTRUMENTS DISCLOSURE (CONT)

2006 Financial Liabilities	Floating interest rate \$	1 year or less \$	Fixed Interest Maturing In		Non interest bearing \$	Total \$
			1 to 5 years \$	Over 5 years \$		
Trade creditors and accruals	-	-	-	-	143,276	143,276
Subscriptions received in advance	-	-	-	-	217,766	217,766
Interest bearing liabilities	-	-	-	1,300,000	-	1,300,000
	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$1,300,000</u>	<u>\$361,042</u>	<u>\$1,661,042</u>
<b>Weighted average interest rate</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>			

## 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 balance sheet 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 21 BRANCH DETAILS

The principal place of business of the branch is:

The Pharmacy Guild of Australia (SA Branch)  
233 Greenhill Road  
DULWICH SA 5065

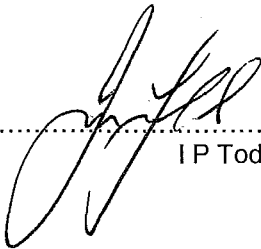
## THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)

## BRANCH COMMITTEE'S STATEMENT

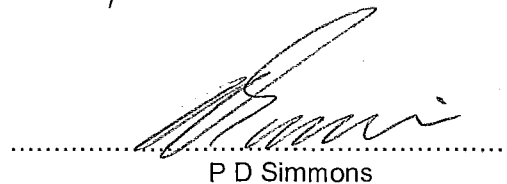
We, Ian Philip Todd, and Paul David Simmons being the Branch President and Vice President (Finance) of The Pharmacy Guild of Australia (SA Branch), do declare on behalf of the Branch Committee and in accordance with a resolution passed by the Branch Committee on 7 August 2006, that in the opinion of 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 2006 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.
6. The organisation has not undertaken any recovery of wages activity.

Signed this 15<sup>th</sup> day of September 2006.



.....  
I P Todd



.....  
P D Simmons



**Australian Government**  
**Australian Industrial Registry**

Level 5, 11 Exhibition Street  
Melbourne, VIC 3000  
GPO Box 1994, Melbourne, VIC 3001  
Telephone: (03) 8661 7882  
Fax: (03) 9655 0410  
Email: [michelle.baldini@air.gov.au](mailto:michelle.baldini@air.gov.au)

Mr Michael Robertson  
Branch Director  
The Pharmacy Guild of Australia  
South Australian Branch

By email: [michael.robertson@guild.org.au](mailto:michael.robertson@guild.org.au)

Dear Mr Robertson,

**Re: Financial Reports for the Year ended 30 June 2006 [FR2006/440] and 30 June 2007 [FR2007/426] - Schedule 1 of the Workplace Relations Act 1996 (RAO Schedule)**

I acknowledge receipt of the Designated Officer's Certificates for the financial years ending 30 June 2006 and 30 June 2007. These documents were received by the Registry on 22 May 2008.

Schedule 1 of the Workplace Relations Act 1996 sets out a particular chronological order in which the financial documents must be prepared, provided to members and presented to a meeting. On the basis of the dates on the documents lodged it is apparent the Branch could not have complied with those requirements.

The sequence of events appears to be wrong because:

- In the documents for financial year ended 30 June 2006, the Operating Report, Committee of Management Statement and the Auditor's report are all dated 8 August 2006, which clearly post-dates the date the documents were provided to members on 7 August 2006.
- In the documents for financial year ended 30 June 2007, the Operating Report, Committee of Management Statement and the Auditor's report are all dated 31 August 2007, which clearly post-dates the date the documents were provided to members on 6 August 2007.

However, it is possible the dating of the documents lodged do not accurately reflect the actual sequence of events. If that is the case, I would be pleased if you would forward appropriately dated documents to the Registry. If that is not the case, I advise the Branch will need to repeat the steps in the reporting process set out below:

- Provide all members with the full report for the financial years ending 30 June 2006 and 30 June 2007;
- Present the full report for the financial years ending 30 June 2006 and 30 June 2007 to a meeting of members;
- Re-file the documents in the Registry within 14 days of the meeting accompanied by the appropriate Designated Officer's Certificate for the financial years ending 30 June 2006 and 30 June 2007.

Should you wish to discuss the matters raised in this letter, I can be contacted on (03) 8661 7882 or by email at [michelle.baldini@air.gov.au](mailto:michelle.baldini@air.gov.au).

Yours sincerely

A handwritten signature in black ink, appearing to read 'Michelle Baldini', written over a horizontal line.

Michelle Baldini  
Statutory Services Branch

28 May 2008





Designated Officer's Certificate

I Michael John Robertson of the Pharmacy Guild of Australia (SA Branch) certify:

- That the documents lodged herewith are copies of the full report, referred to in s268 of the RAO schedule; and
- That the full report was provided to members on Monday the 18<sup>th</sup> September 2006; and
- That the full report was presented to the Annual General Meeting of members of the reporting unit on Monday the 18<sup>th</sup> September 2006; in accordance with Section 266 of the RAO Schedule

Michael Robertson  
Branch Director  
Pharmacy Guild of Australia (SA Branch)

16<sup>th</sup> May 2008

**THE PHARMACY GUILD OF AUSTRALIA (SA BRANCH)  
OPERATING REPORT FOR THE YEAR ENDED 30 JUNE 2006**

Your Branch Committee present their report on the Pharmacy Guild of Australia (SA Branch) for the financial year ended 30 June 2006.

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)  
B. R. Schultz (Vice President – National Councillor)  
P.D. Simmons (Vice President Finance)  
T.C. Draysey (Vice President – Alternate National Councillor)  
P. J. Drury  
P. N. Hocking  
S. McGregor  
Z. Seman

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 \$450,089.

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. 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.

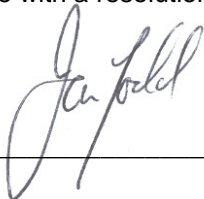
Members of the Pharmacy Guild of Australia (SA Branch) are entitled to resign their membership pursuant to Section 36 of the Constitution of the Pharmacy Guild of Australia by written notice addressed and delivered to the Branch Director.

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 8th day of August 2006

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2006

	Note	2006 \$	2005 \$
Revenue	3	1,947,002	1,582,611
Employee benefits expense		(352,322)	(331,280)
Depreciation expense		(31,962)	(34,863)
Finance Costs		(65,724)	(3,541)
National Council Dues		(374,563)	(358,955)
NT CPA and Pharmacy Training expenses		(269,450)	(236,089)
DMMR/HMR expenses		(52,752)	(58,154)
Branch Committee Allowances		(50,287)	(48,690)
Insurance		(32,881)	(37,067)
HR Member Services		(34,996)	(34,864)
Repairs & Maintenance expense		(33,139)	(26,841)
Telephone expense		(18,987)	(17,227)
Other expenses	4	(179,850)	(115,176)
		_____	_____
Profit from operations		\$450,089	\$279,864
		_____	_____

## BALANCE SHEET AS AT 30 JUNE 2006

	Note	2006 \$	2005 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	163,448	609,871
Trade and other Receivables	6	207,228	197,745
Financial Assets	7	70,000	673,465
Land held for sale	9	-	229,624
Other current assets	8	35,167	474,522
		<hr/>	<hr/>
<b>TOTAL CURRENT ASSETS</b>		<b>475,843</b>	<b>2,185,227</b>
		<hr/>	<hr/>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	9	2,098,388	126,102
Investment property	10	1,016,964	-
		<hr/>	<hr/>
<b>TOTAL NON-CURRENT ASSETS</b>		<b>3,115,352</b>	<b>126,102</b>
		<hr/>	<hr/>
<b>TOTAL ASSETS</b>		<b>3,591,195</b>	<b>2,311,329</b>
		<hr/>	<hr/>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	361,042	323,555
Short-term provisions	12	16,357	24,067
		<hr/>	<hr/>
<b>TOTAL CURRENT LIABILITIES</b>		<b>377,399</b>	<b>347,622</b>
		<hr/>	<hr/>
<b>NON CURRENT LIABILITIES</b>			
Long-term borrowings		1,300,000	500,000
		<hr/>	<hr/>
<b>TOTAL NON CURRENT LIABILITIES</b>		<b>1,300,000</b>	<b>500,000</b>
		<hr/>	<hr/>
<b>TOTAL LIABILITIES</b>		<b>1,677,399</b>	<b>847,622</b>
		<hr/>	<hr/>
<b>NET ASSETS</b>		<b>\$1,913,796</b>	<b>\$1,463,707</b>
		<hr/>	<hr/>
<b>EQUITY</b>			
Reserves	13	159,490	127,491
Retained earnings		1,754,306	1,336,216
		<hr/>	<hr/>
<b>TOTAL EQUITY</b>		<b>\$1,913,796</b>	<b>\$1,463,707</b>
		<hr/>	<hr/>

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2006

	Retained Earnings \$	Parity Fund \$	Community Practice Fund \$	Guildscript \$	DMMR Reserve \$	DASC Reserve \$	Total \$
<b>Balance at 1 July 2004</b>	1,076,296	2,253	628	47,210	22,905	34,551	1,183,843
Profit attributable members	279,864	-	-	-	-	-	279,864
Transfers - to and from reserves / funds	(19,944)	-	-	(4,202)	(8,154)	32,300	-
<b>Balance at 30 June 2005</b>	1,336,216	2,253	628	43,008	14,751	66,851	1,463,707
Profit attributable members	450,089	-	-	-	-	-	450,089
Transfers - to and from reserves / funds	(31,999)	-	-	-	3,846	28,153	-
<b>Balance at 30 June 2006</b>	<u>\$1,754,306</u>	<u>\$2,253</u>	<u>\$628</u>	<u>\$43,008</u>	<u>\$18,957</u>	<u>\$95,004</u>	<u>\$1,913,796</u>

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2006

	Note	2006 \$	2005 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Guild Insurance Ltd Commission		172,966	158,375
NTCPA and pharmacy training income		479,840	432,747
Receipts from Members		628,898	653,824
Receipts for administration		49,500	46,200
Interest received		38,491	78,105
Other receipts		137,011	51,963
Sales to members		71,952	33,296
Quality care income		-	18,729
DMMR/HMR receipt		89,758	55,000
Broadband Income		-	26,042
Needle Exchange		28,152	57,903
Pharmacy Liaison Officer		34,995	33,496
National Council dues		(374,563)	(408,091)
Payments for administration		(1,182,547)	(932,078)
GST Paid (net)		63,202	(44,954)
Interest paid		(59,474)	(3,541)
Net cash provided by operating activities	17(b)	178,181	257,016
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
(Payments) for plant and equipment		(41,355)	(5,358)
(Payments) for/receipts from investments		100,787	130,000
Proceeds from sale of property, plant and equipment		1,122,150	-
Payments for land & buildings		(2,606,186)	(444,705)
Net cash provided by / (used in) investing activities		(1,424,604)	(320,063)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayments of borrowings		(100,000)	-
Proceeds from borrowings		900,000	500,000
Net cash provided by/(used in) financing activities		800,000	500,000
Net increase/(decrease) in cash held		(446,423)	436,953
Cash at the beginning of the financial year		609,871	172,918
Cash at the end of the financial year	17(a)	\$163,448	\$609,871

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 Interpretations 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.

(i) Investment Property

The land and buildings owned by the branch has been disclosed as an investment property to the extent that it is available for occupation by external tenants.

The Branch has applied the cost model in determining the value of the property.

No material amounts have been recognised in profit or loss for the year in respect of rental income or direct operating expenses as the development of the property was only completed at the end of the financial year. Rental income is anticipated to commence in the 2007 financial year.

(ii) Other Property, Plant and equipment

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 <sup>1</sup> / <sub>3</sub> %
Motor vehicles	15%
Buildings	2 <sup>1</sup> / <sub>2</sub>

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(c) FINANCIAL INSTRUMENTS

(i) Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

(ii) Available-for-sale financial assets

Available-for-sale financial assets have been measured at cost. The directors are of the opinion that the fair value of available-for-sale financial assets does not materially differ from their cost.

(iii) Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debit less principal payments and amortisation.

(iv) Impairment

At each reporting date, the Guild reviews the carrying value of its assets to determine whether there is any indication that those assets have been impaired. In the case of available for-sale financial assets, a prolonged decline in the value of the asset is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

In respect of other assets, if such an indication exists, the recoverable amount of the asset, being the asset's fair value, less costs to sell and value in vie, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the Guild estimates the recoverable amount of the cash-generating-unit to which the asset belongs.

(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 AND CASH EQUIVALENTS

For the purpose of the cash flow statement, 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.



NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(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 2006 financial statements.

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

The adoption of AIFRS has been 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 have been restated where necessary.

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

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

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)."

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006 (CONT)

NOTE 3 REVENUE FROM ORDINARY ACTIVITIES

	2006	2005
	\$	\$
Operating Activities		
Members subscriptions	583,374	559,994
Nominal members subscription	2,263	2,317
Clearing house subscription	7,167	6,790
Administration fees - SA Pharmacists Co-operative Ltd	45,000	42,000
Commission	260,719	220,589
NTCPA and pharmacy training income	428,662	468,975
Quality care income	-	17,026
Needle exchange programme	28,152	57,903
Sundry income	75,747	66,061
DMMR/HMR income	56,598	50,000
HR Member Services	34,995	17,476
Profit on sale of property	389,848	-
	<hr/>	<hr/>
	1,912,525	1,509,131
	<hr/>	<hr/>
Non-Operating Activities		
Interest received from other persons	34,477	73,480
	<hr/>	<hr/>
	\$1,947,002	\$1,582,611
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006 (CONT)

NOTE 4 OTHER EXPENSES FROM ORDINARY ACTIVITIES

	2006 \$	2005 \$
Remuneration of auditor		
- audit or review service	4,600	4,270
- other services	-	500
	<hr/>	<hr/>
Total remuneration	4,600	4,770
Committee expenses	5,312	5,268
Cleaning	4,475	3,924
Clearing house	3,604	4,726
Entertainment	545	669
Legal expenses	-	1,124
Motor vehicles	2,644	1,903
Needle exchange programme	-	17,603
Office and general	20,521	7,235
Outgoings – Guild	29,898	13,583
Postage and freight	3,303	5,012
Power and light	7,178	6,563
Printing and stationery	12,692	11,448
Subscriptions	4,120	2,641
Sundry expenses	80,958	15,204
Quality care expenses	-	13,093
Written down value of property, plant and equipment sold	-	410
	<hr/>	<hr/>
	\$179,850	\$115,176
	<hr/>	<hr/>

NOTE 5 CASH AND CASH EQUIVALENTS

	2006 \$	2005 \$
Cash on hand	200	200
Cash at bank	163,248	609,671
	<hr/>	<hr/>
	\$163,448	\$609,871
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006 (CONT)

NOTE 6 TRADE AND OTHER RECEIVABLES

	2006 \$	2005 \$
Trade debtors	26,106	37,128
Provisions for impairment	(800)	(800)
	<hr/> 25,306	<hr/> 36,328
Other debtors	36,057	78,566
GST paid	94,500	24,510
Pharmacy Guild of Australia	51,077	53,313
Pharmacy Guild of Australia – NSW Branch	288	5,028
	<hr/> \$207,228	<hr/> \$197,745

NOTE 7 FINANCIAL ASSETS

	2006 \$	2005 \$
Current		
Available-for-Sale financial assets other than public investments – at cost	70,000	673,465
	<hr/> \$70,000	<hr/> \$673,465
Market value of Available-for-Sale financial assets: other than public investments.	<hr/> \$70,000	<hr/> \$857,750

NOTE 8 OTHER CURRENT ASSETS

	2006 \$	2005 \$
Prepayments	35,167	29,817
Dulwich building site deposit	-	444,705
	<hr/> \$35,167	<hr/> \$474,522

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006 (CONT)

NOTE 9 PROPERTY, PLANT AND EQUIPMENT	2006	2005
	\$	\$
Current		
Land held for sale at cost	-	229,624
	<hr/>	<hr/>
Total Current Property, Plant and Equipment	-	229,624
	<hr/>	<hr/>
Non-Current		
Land	844,570	-
Building	1,185,640	-
Office equipment and furniture – at cost	139,637	261,699
Less accumulated depreciation	(120,258)	(167,712)
	<hr/>	<hr/>
	19,379	93,987
	<hr/>	<hr/>
Motor vehicles – at cost	71,327	46,713
Less accumulated depreciation	(22,528)	(14,598)
	<hr/>	<hr/>
	48,799	32,115
	<hr/>	<hr/>
Total Non-Current Property, Plant and Equipment	\$2,098,388	\$126,102
	<hr/>	<hr/>
Total Property Plant and Equipment	\$2,098,388	\$355,726
	<hr/>	<hr/>

The Branch entered into an agreement to sell the land classified as held for sale for \$435,000. Settlement of the land occurred 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)	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Carrying amount at the end of the year	\$229,624	\$93,987	\$32,115	\$ -	\$355,726
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006 (CONT)

NOTE 9 PROPERTY, PLANT AND EQUIPMENT (CONT)

2006	Land \$	Buildings \$	Land held for sale \$	Office equipment and furniture \$	Motor vehicles \$	Total \$
Balance at the beginning of the year	-	-	229,624	93,987	32,115	355,726
Additions	844,570	1,189,357	-	12,269	24,614	2,070,810
Disposals	-	-	(229,624)	(66,562)	-	(296,186)
Depreciation expense	-	(3,717)	-	(20,315)	(7,930)	(31,962)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Carrying amount at the end of the year	\$844,570	\$1,185,640	\$ -	\$19,379	\$48,799	\$2,098,388
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

NOTE 10 INVESTMENT PROPERTY

	2006 \$	2005 \$
Land - at cost	422,285	-
Building – at cost	594,679	-
	<hr/>	<hr/>
	\$1,016,964	\$ -
	<hr/>	<hr/>

NOTE 11 TRADE AND OTHER PAYABLES

	2006 \$	2005 \$
Current		
Grants in advance	25,000	-
Trade creditors and accruals	72,228	40,739
Subscriptions received in advance	217,766	238,845
GST received	20,105	22,032
Legal costs payable	-	-
Pharmacy Guild of Australia – Queensland branch	-	-
Pharmacy Guild of Australia – National Office	-	-
Employee benefits – annual leave – employees	25,943	21,939
- annual leave – office holders	-	-
	<hr/>	<hr/>
	\$361,042	\$323,555
	<hr/>	<hr/>

NOTE 12 SHORT-TERM PROVISIONS

	2006 \$	2005 \$
Provision for long service leave - employees	16,357	24,067
Provision for long service leave – holders of office	-	-
	<hr/>	<hr/>
Aggregate employee entitlement liability	\$16,357	\$24,067
	<hr/>	<hr/>
Number of employees at year end	15	15

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006 (CONT)

NOTE 12 SHORT-TERM PROVISIONS (CONT)	2006	2005
	\$	\$
Movement in provisions		
Opening Balance 1 July 2005 – provision for long service leave	24,067	21,580
Additional provision raised during the year	(7,710)	2,487
	<hr/>	<hr/>
Balance at 30 June 2006	\$16,357	\$24,067
	<hr/>	<hr/>
Number of employees at year end	15	15
 NOTE 13 RESERVES	 2006	 2005
	\$	\$
Parity Fund	2,253	2,253
Community Practice Fund	628	628
GuildScript	43,008	43,008
DMMR reserve	18,597	14,751
DASC reserve	95,004	66,851
	<hr/>	<hr/>
	\$159,490	\$127,491
	<hr/>	<hr/>
Represented by cash and investments	\$159,490	\$127,491

(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.

(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.

(c) GuildScript Fund

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

(d) DMMR Reserve

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

(e) DASC – needle exchange reserve

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

NOTE 14 COMMITMENTS

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 8, and net of GST.

NOTE 15 RELATED PARTIES

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

T Draysey	P Simmons
P J Drury	I Todd
P N Hocking	B R Schultz
S McGregor	Z Seman

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:

	2006 \$	2005 \$
Committee Members' and Branch Directors' remuneration		
- Gross remuneration	182,755	186,619
- Reimbursed by National Secretariat	-	-
	<hr/>	<hr/>
Total remuneration	\$182,755	\$186,619
	<hr/>	<hr/>
<i>Remuneration – employees including Branch Director (other than holders of office)</i>	\$506,458	\$495,005
The aggregate amount of employee benefits payable to the Branch Director at the end of the year was	\$6,620	\$7,451
<i>The aggregate amount of employee benefits payable to Employees (other than the Branch Director and Branch Committee Members')</i>	\$35,680	\$38,555

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 15 (c) was \$27,960 (2005 \$22,069).

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.

	2006 \$	2005 \$
National Services Division	-	-
Guild Insurance Ltd	\$9,800	\$15,000

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:

	2006 \$	2005 \$
National Services Division	-	-
Guild Insurance Ltd	\$152,042	\$150,977



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006 (CONT)

NOTE 16 SEGMENT REPORTING

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

NOTE 17 CASH FLOW INFORMATION

	2006 \$	2005 \$
(a) Reconciliation of cash		
Cash on hand	200	200
Cash at bank	163,248	609,671
	<hr/>	<hr/>
	\$163,448	\$609,871
	<hr/>	<hr/>
(b) Reconciliation of profit from operations activities to net cash provided by operating activities		
Profit from operations	450,089	279,864
Non-cash flows in profit from operations:		
Depreciation	31,962	34,863
Net (surplus)/deficit on disposal of plant and equipment	71,034	410
Profit on sale of property	(389,848)	-
Changes in assets and liabilities:		
(Increase)/decrease in receivables	(9,483)	(69,873)
(Increase)/decrease in prepayments	(5,350)	(1,066)
Increase/(decrease) in payables	37,487	5,998
Increase/(decrease) in provisions	(7,710)	6,820
	<hr/>	<hr/>
Net cash provided by operating activities	\$178,181	\$257,016
	<hr/>	<hr/>

(c) At balance date, the branch had a loan outstanding of \$1,300,000 (2005 \$500,000). 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.

NOTE 18 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%		
<b>Financial Liabilities</b>						
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%		

2006	<u>Fixed Interest Maturing In</u>				Total
	Floating interest rate	1 year or less	1 to 5 years	Non interest bearing	
Financial Assets	\$	\$	\$	\$	\$
Cash	163,248	-	-	200	163,448
Investments	-	70,000	-	-	70,000
Trade and other debtors	-	-	-	207,228	207,228
	<u>\$163,248</u>	<u>\$70,000</u>	<u>\$ -</u>	<u>\$207,428</u>	<u>\$440,676</u>
Weighted average interest rate		5.2%	5.4%	0%	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006 (CONT)

NOTE 18 FINANCIAL INSTRUMENTS DISCLOSURE (CONT)

2006

Financial Liabilities	Floating interest rate \$	1 year or less \$	Fixed Interest Maturing In		Non interest bearing \$	Total \$
			1 to 5 years \$	Over 5 years \$		
Trade creditors and accruals	-	-	-	-	143,276	143,276
Subscriptions received in advance	-	-	-	-	217,766	217,766
Interest bearing liabilities	-	-	-	1,300,000	-	1,300,000
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	-	\$1,300,000	\$361,042	\$1,661,042
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Weighted average interest rate</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>			

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 balance sheet 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 21 BRANCH DETAILS

The principal place of business of the branch is:

The Pharmacy Guild of Australia (SA Branch)  
233 Greenhill Road  
DULWICH SA 5065

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 7 August 2006, 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 2006 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.
6. The organisation has not undertaken any recovery of wages activity.

Signed this 8<sup>th</sup> day of August 2006.



.....  
I P Todd



.....  
P D Simmons



**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 balance sheet, income statement, cash flow statement, statement of changes in equity, 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 2006.

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

- a. applicable Australian Accounting Standards and other mandatory professional reporting requirements in Australia;
- b. the Workplace Relations Act, 1996; and
- c. any other requirements imposed by the Reporting Guidelines made under section 255 of Schedule 1B (the RAO Schedule) of the Workplace Relations Act 1996, or Part 3 of Chapter 8 of the RAO Schedule,

the financial position of the Pharmacy Guild of Australia (SA Branch) as at 30 June 2006, 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 – Chartered Accountant  
(Partner)

Adelaide  
South Australia  
Dated 8 August 2006

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