



Australian Government

Australian Industrial Registry

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Ms Judy Liauw
President
The Pharmacy Guild of Australia, Tasmanian Branch

email: tas.admin@guild.org.au

Dear Ms Liauw

Re: Financial Reports for The Pharmacy Guild of Australia, Tasmanian Branch for years ended 30 June 2005 – FR2005/272 and 30 June 2006 – FR2006/441

I acknowledge receipt of the revised financial reports for The Pharmacy Guild of Australia, Tasmanian Branch for the years ended 30 June 2005 and 30 June 2006. The reports were lodged with the Registry on 11 August 2008.

In correspondence dated 15 May 2008 I indicated, that the reports should be redistributed to Members with the revised documentation and represented to a general meeting of members. The reports were presented to a general meeting of members on 5 August 2008 as requested. The financial report has now been filed.

Ordinarily we would advise you of matters that you should take into account in preparation of financial reports. However, as the 2006 and 2007 reports have already been completed this would seem redundant. Nonetheless I have noted in the accompanying attachment a number of matters I have identified where the documentation and the process followed does not fully comply with the requirements of 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 be 'K Donnellan', written over a horizontal line.

Kevin Donnellan
Statutory Services Branch

10 September 2008

Attachment

2005 and 2006 Financial Reports

Operating Report

The 2005 and 2006 financial reports did not contain an Operating Report as required by Section 254. Section 254 of Schedule 1 of the Workplace Relations Act 1996 and regulation 159 of the Workplace Relations (Registration and Accountability of Organisations) Regulations 2003 (the RAO Regulations) make provision for the requisite contents of an Operating Report. The following aspects are required to be addressed in the Operating Report by the reporting unit.

Review of principal activities

Section 254(2)(a) of Schedule 1 requires the report to contain a review of the reporting unit's principal activities during the financial year, the results of those activities and any significant changes in the nature of those activities during the year.

Significant changes in financial affairs

Section 254(2)(a) of Schedule 1 requires the report to give details of any significant changes in the reporting unit's financial affairs during the year. If there has been no significant changes then a simple statement to that effect would suffice.

Number of members and employees of the reporting unit

Subsection 254(2)(f) of Schedule 1 and regulation 159(a) and (b) of the RAO Regulations require the Operating Report to contain information pertaining to the number of persons that were taken to be members and the number of employees of the reporting unit at the end of the financial year.

Right of members to resign

Subsection 254(2)(c) of Schedule 1 requires the Operating Report to give details of the right of members to resign from the reporting unit under section 174. The 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.

Trustee of superannuation entity

Subsection 254(2)(d) of Schedule 1 requires the Operating Report to give details of any *officer or member* of the reporting unit who is a trustee, or a director of a company that is a trustee, of a superannuation entity or an exempt public sector superannuation scheme.

If no officers or members of the reporting unit is a trustee of a superannuation entity, the preferred wording to satisfy the s254(2)(d) is:

“No officer or member of the reporting unit holds a position as a trustee or director of a superannuation entity or exempt public sector superannuation scheme where the criterion for holding such position is that they are an officer or member of an organisation.”

Membership of Committee of Management

Regulation 159(c) of the RAO Regulations requires the Operating Report to contain the name of each person who has been a member of the Committee of Management of the reporting unit at any time during the reporting period, and the period for which he or she held such a position.

Relevant information

Subsection 254(2)(e) of Schedule 1 requires the Operating Report to contain any other information that the reporting unit considers is relevant. The report should be signed by a designated officer and dated accordingly.

I note the 2004 financial report for the Branch contained an Operating Report as required. This report can be found at the following link - <http://www.e-airc.gov.au/files/175vtas2/FR2004304.pdf>

Committee of Management Statement

The Committee of Management Report included in the financial reports did not address all of the elements required by items 24 and 25 of the Reporting Guidelines of the Registrar. The Committee of Management Statement contains declarations by the Committee of Management in relation to the General Purpose Financial Report of matters outlined in items 24 and 25 of the Registrar's Guidelines. The Statement should also record the date of the resolution and be signed and dated by a designated officer. I have attached a sample Committee of Management statement for your reference.

Notes to the financial reports

Information to be Provided to Members or Registrar - section 272(1), (2) & (3)

The Notice to Members in contained note 2 of the notes to the financial statements is incorrect. Subsection 272(5) of the RAO Schedule requires the report to include a copy of subsections 272(1), (2) & (3) as follows:

272 Information to be provided to members or Registrar

(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: This subsection is a civil penalty provision (see section 305).

Schedule 1

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

Statement by Branch Director

The Statement by Branch Director is not a document required under the financial reporting requirements of the RAO Schedule of the Workplace Relations Act 1996.

Audit Report***Audit Opinion***

The term “true and fair view” was used in the superseded legislation. Subsection 257(5) of the RAO Schedule sets out the matters upon which an auditor is required to make an opinion on whether the general purpose financial report is presented fairly in accordance with applicable Australian Accounting Standards and other requirements of the RAO Schedule. The following wording in the auditor’s opinion would satisfy the requirements:

“In our opinion the general purpose financial report is presented fairly in accordance with applicable Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of the RAO Schedule of the Workplace Relations Act 1996.”

Auditor Qualification

It is not clear from the Reports whether or not the Auditor is an approved Auditor. In this regard I draw your attention to the definitions of approved auditor in regulation 4 of the Workplace Relations (Registration and Accountability of Organisations) Regulations 2003. In all likelihood the Auditor is such a person however, it is our preference that this is made explicit in the Report. I recommend you draw this comment to the attention of your Auditors.

Documents should be signed and dated

Could you ensure that all statements and reports included in the financial reports are signed and properly dated before the full report is referred to the Auditor and prior to its distribution to members.



The PHARMACY GUILD of AUSTRALIA
TASMANIAN BRANCH

Designated Officer's Certificate
268 of Schedule 1B Workplace Relations Act 1996

2005-2006 Audited Report:

I John Dowling being the President of The Pharmacy Guild of Australia TAS Branch certify:

- That the documents lodged herewith are copies of the full report referred to in 268 of the RAO Schedule; and
- That the full report was made available to members on 7th July 2008; and
- That the full report was presented to a general meeting of members of the reporting unit on 5th August 2008 in accordance with section 266 of the RAO Schedule.

John Dowling
Branch President
5 August 2008



IAN M ROSS

Chartered Accountant

Level 1,60 Liverpool Street, Hobart
Postal: G.P.O. Box 412, Hobart 7001
Telephone: (03) 6224 8844
Facsimile: (03) 6224 8111

THE PHARMACY GUILD OF AUSTRALIA – TASMANIAN BRANCH

FINANCIAL REPORT

30 JUNE 2006

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INDEPENDENT AUDIT REPORT

To the members of The Pharmacy Guild of Australia - Tasmanian Branch.

Scope

I have audited the general purpose financial report of The Pharmacy Guild of Australia - Tasmanian Branch Financial Report for the year ended 30 June 2006 comprising the Statement of Financial Performances, Statement of Financial Position, Statement of Cash Flows and Notes to the Financial Statements. The Committee of Management is responsible for the financial report. I have conducted an independent audit of the financial report in order to express an opinion on it to the members.

My audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. My procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial report is presented fairly in accordance with Australian accounting concepts and standards and relevant statutory and other requirements, so as to present a view which is consistent with my understanding of The Pharmacy Guild of Australia - Tasmanian Branch which is consistent with my understanding of its financial position and the results of its operations.

The audit opinion expressed in this report has been formed on the above basis.

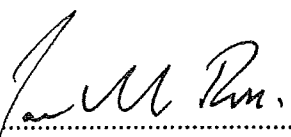
Independence

I am independent of the Pharmacy Guild of Australia and have met the independence requirements of Australian professional ethical pronouncements.

Audit Opinion

In my opinion :

- (a) there were kept by the organisation in respect of the year, satisfactory accounting records detailing the sources and nature of the income of the organisation, including income from members and the nature and purposes of expenditure; and;
- (b) the attached accounts and statements, prepared under the historical cost convention, and in accordance with of the Workplace Relations Act, 1996 and the Registration and Accountability of Organisations Schedule 1, are properly drawn up so as to give a true and fair view of :
 - (i) the financial affairs of the Branch as at 30 June 2006; and;
 - (ii) the income and expenditure, and (deficit) of the Branch for the year ended on that date.
- (c) All information and explanations, that, under the Workplace Relations Act 1996 and the Registration and Accountability of Organisations Schedule 1, officers or employees of the organisation were required to provide, were provided.



.....
IAN M ROSS

Chartered Accountant

Registered Company Auditor No:96

Hobart,

7 September 2006.

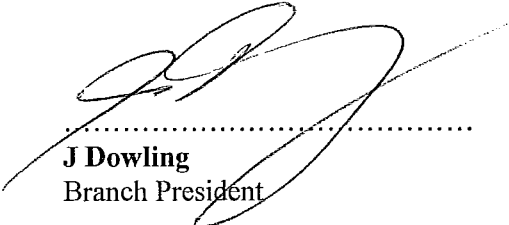
THE PHARMACY GUILD OF AUSTRALIA - TASMANIAN BRANCH

COMMITTEE OF MANAGEMENT'S REPORT

YEAR TO 30 JUNE 2006

We, J Dowling and J Drewitt, being President and Vice President – Finance respectively of The Pharmacy Guild of Australia - Tasmanian Branch, do state on behalf of the Committee and in accordance with a resolution passed by the Committee, that :

- (1) In the opinion of the Committee of Management, the attached accounts show a true and fair view of the financial affairs of the Branch as at 30 June 2006.
- (2) in the opinion of the Committee of Management, meetings of the Committee were held during the year ended 30 June 2006, in accordance with the rules of the organisation.
- (3) to the knowledge of any member of the Committee, there have been no instances where records of the organisation or other documents or copies of those records or documents, or copies of the rules of the organisation, have not been furnished, or made available to members in accordance with the requirements of the Workplace Relations Act 1996 and the Registration and Accountability of Organisations Schedule 1, the Regulations thereto, or the rules of the organisation; and;
- (4) the Branch has complied with the requirements of the Act in relation to the financial statements in respect of the year ended 30 June 2006, and the auditor's report thereon.



.....
J Dowling
Branch President



.....
J Drewitt
Vice President – Finance

Dated this

day of September 2006.

THE PHARMACY GUILD OF AUSTRALIA - TASMANIAN BRANCH

STATEMENT BY BRANCH DIRECTOR

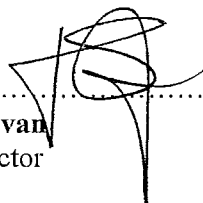
YEAR TO 30 JUNE 2006

I, Louise Sullivan, being the officer responsible for keeping the accounting records of The Pharmacy Guild of Australia – Tasmanian Branch, certify that as at 30 June 2005, the number of members of the Branch is 132 (inclusive of all categories).

In my opinion:

- (1) the attached accounts show a true and fair view of the financial affairs of the Branch as at 30 June 2006.
- (2) a record has been kept of all monies paid by, or collected from, members and all monies so paid or collected have been credited to the Bank account to which those monies are to be credited, in accordance with the rules of the organisation;
- (3) before any expenditure was incurred approval of the incurring of the expenditure was obtained in accordance with the rules of the organisation;
- (4) with regard to funds of the organisation raised by compulsory levies or voluntary contributions from members or funds other than the General Fund operated in accordance with the Rules, no payments were made out of any such fund or purposes other than those for which the fund was operated;
- (5) no loans or other financial benefits, other than remuneration in respect of their full time employment with the organisation, were made to persons holding office in the organisation; and
- (6) the register of members of the Branch was maintained in accordance with the Act.

.....
Louise Sullivan
Branch Director



Dated this

day of September 2006.

THE PHARMACY GUILD OF AUSTRALIA - TASMANIAN BRANCH

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2006

	Note	<u>2006</u>	<u>2005</u>
		\$	\$
Revenue from Ordinary Activities		<u>788,689</u>	<u>578,548</u>
Employment Expenses		163,976	144,628
Depreciation and Amortisation Expense		12,991	10,470
Other Expenses from Ordinary Activities		<u>624,873</u>	<u>425,281</u>
Total Expenditure		<u>801,840</u>	<u>580,379</u>
Surplus/(Deficit) from Ordinary Activities	17	<u>\$(13,151)</u>	<u>\$(1,831)</u>

THE PHARMACY GUILD OF AUSTRALIA - TASMANIAN BRANCH

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 30 JUNE 2006

	Note	<u>2006</u>	<u>2005</u>
Current Assets			
Cash	4	28,195	135,817
Receivables	5	68,500	101,325
Prepaid Insurance		-	10,539
Inventory		<u>588</u>	<u>588</u>
Total Current Assets		97,283	248,269
Non-Current Assets			
Property, Plant & Equipment & Motor Vehicle	6	<u>41,179</u>	<u>41,543</u>
Total Non-Current Assets		<u>41,179</u>	<u>41,543</u>
Total Assets		138,462	289,812
Current Liabilities			
Payables	7	29,471	157,751
Provisions	8	<u>19,372</u>	<u>20,406</u>
Total Current Liabilities		48,843	178,157
Non-Current Liabilities			
Provisions	9	<u>16,469</u>	<u>37,624</u>
Total Non-Current Liabilities		<u>16,469</u>	<u>37,624</u>
Total Liabilities		65,312	215,781
Net Assets		\$ 73,150	\$ 74,031
Members Equity			
Accumulated Funds	10	67,649	68,530
Reserves	11	<u>5,501</u>	<u>5,501</u>
Total Members Equity		\$ 73,150	\$ 74,031

THE PHARMACY GUILD OF AUSTRALIA - TASMANIAN BRANCH

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2006

	Note	<u>2006</u>	<u>2005</u>
Cash Flows From Operating Activities	13		
Income from Members & Grants		780,873	598,904
Interest Received		7,816	7,511
Payments to Suppliers & Employees		<u>(883,684)</u>	<u>(504,928)</u>
Net Cash Used in Operating Activities		(94,995)	101,487
Cash Flows From Investing Activities			
Payments for Plant & Equipment		<u>(12,627)</u>	<u>(33,888)</u>
Net Cash Used in Investing Activities		(12,627)	(33,888)
Net Increase/(Decrease) In Cash Held		(107,622)	67,599
Cash Held at the Beginning of the Financial Year	4	<u>135,517</u>	<u>68,218</u>
Cash Held at the End of the Financial Year	4	\$ 28,195	\$135,817

THE PHARMACY GUILD OF AUSTRALIA - TASMANIAN BRANCH

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2006

1 Statement of Significant Accounting Policies

This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting standards and other mandatory professional reporting requirements. The financial report is 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 accounting policies have been consistently applied, unless otherwise stated.

The following is a summary of the material accounting policies adopted by the Branch in the preparation of the financial statements:

(a) Income Tax

No provision for income tax is necessary as the Branch is exempt from income tax under section 50-15 of the Income Tax Assessment Act, 1997.

(b) Fixed Assets

The depreciable amount of all fixed assets are depreciated using both the straight line basis and the diminishing value basis over the useful lives of the assets to the Branch commencing from the time the asset is held ready for use.

The depreciation rates used for Property, Plant & Equipment range between 20-27% Diminishing Value and 17%-33% Straight Line.

The carrying amount of fixed assets is reviewed annually to ensure it is not in excess of the recoverable amount of those assets.

The recoverable amount is assessed on the basis of 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 their present values in determining the recoverable amounts.

(c) Employee Benefits

Provision is made for the Branch's liability for employee Benefits arising from services rendered by employees to balance date. Employee Benefits expected to be settled within one year together with Benefits 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 Benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those Benefits.

Contributions are made by the Branch to an employee superannuation fund and are charged as expenses when incurred.

(d) Cash

For the purposes of the Statement of Cash Flows, cash includes cash on hand, at banks and on deposit.

THE PHARMACY GUILD OF AUSTRALIA - TASMANIAN BRANCH

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2006

1 Statement of Significant Accounting Policies (*contd*)

(e) **Revenue**

Subscription income is recognised in the period to which the subscriptions relate. Revenue from the provision of services is recognised when the right to be compensated for the services has been attained.

Interest is recognised over the period for which the funds are invested.

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

(f) **Prior Year Adjustment**

As a result of a clarification of employee long service calculations, a prior year adjustment was brought to account in 2002, being equal to the additional amount that would have been provided for in prior years, had the entitlement been correctly determined.

(g) **Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivable and payables in the statement of financial position are shown inclusive of GST.

(h) **Comparatives**

Where applicable comparative figures have been adjusted to conform with changes in presentation for the current financial year.

(i) **Adoption of Australian Equivalents to International Financial Reporting Standards**

International Financial Reporting Standards (IFRS) are effective for financial years commencing 1 January 2005.

The Directors have assessed the significance of these changes.

The Directors are of the opinion that the key differences in the economic entity's accounting policies which arise from the adoption of IFRS are :

Impairment of assets

The entity currently determines the recoverable amount of an asset on the basis of undiscounted net cash flows that will be received from the assets use and subsequent disposal. In terms of AASB 136 *Impairment of Assets*, the recoverable amount of an asset will be determined as the higher of fair value less costs to sell and value in use. It is likely that this change in accounting policy will lead to impairments being recognised.

Non-current investments

Under the AASB : *Financial Instruments : Recognition and Measurement*, financial instruments that are classified as available for sale instruments must be carried at fair value. Unrealised gains or losses may be recognised either in income or directly to equity. Current accounting policy is to measure non-current investments at cost, with an annual review by Directors to ensure that the carrying amounts are not in excess of recoverable value.

The Directors are of the opinion, that there are no Impairments to the present assets and the Non-current investments are at recoverable value.

THE PHARMACY GUILD OF AUSTRALIA - TASMANIAN BRANCH

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2006

Statement of Significant Accounting Policies (*contd*)

2 Information to be Provided to Members or Registrar

- (i) A member of an organisation, or a Registrar, may apply to the organisation for specified prescribed information in relation to the organisation.
- (ii) An organisation shall, on application made under subsection (1) by a member of the organisation or a Registrar, make the specified information available to the member or Registrar in such manner, and within such time, as is prescribed.
- (iii) A Registrar may only make an application under subsection (1) at the request of a member of the organisation concerned, and the Registrar shall provide to a member information received because of an application made at the request of the member.

3 Segmental Reporting

The Tasmanian Branch of the Pharmacy Guild of Australia provide services to the pharmacists throughout Tasmania.

THE PHARMACY GUILD OF AUSTRALIA - TASMANIAN BRANCH

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2006

	<u>2006</u>	<u>2005</u>
4 Cash		
Women's Congress Account	6,939	18,785
ANZ Visa/Amex	(3,137)	(5,627)
Cheque Account	24,333	123,042
Clearing House Account	-	(383)
Cash on Hand	60	-
	<u>28,195</u>	<u>135,817</u>
5 Receivables		
Sundry Receivables	-	2,483
Trade Debtors	68,500	98,842
	<u>68,500</u>	<u>101,325</u>
6 Property Plant & Equipment		
Office Equipment (at cost)	63,163	50,536
Accumulated Depreciation	(44,171)	(37,621)
	<u>18,992</u>	<u>12,915</u>
Motor Vehicle (at Cost)	32,426	32,426
Accumulated Depreciation	(10,239)	(3,798)
	<u>22,187</u>	<u>28,628</u>
Total property Plant & Equipment & Motor Vehicle	<u>41,179</u>	<u>41,543</u>
7 Creditors & Borrowings		
Trade Creditors	21,138	17,304
Accrued Expenses	1,422	1,229
GST (net)	4,319	9,820
Subscriptions Received in Advance	-	23,252
Superannuation	2,592	-
Unexpended Grant Funds	-	106,146
	<u>29,471</u>	<u>157,751</u>
8 Provisions (Current)		
Provision for Annual Leave	11,933	12,967
Asset Purchase – Motor Vehicle	7,439	7,439
	<u>19,372</u>	<u>20,406</u>
9 Provisions (Non-Current)		
Asset Purchase – Motor Vehicle	16,469	23,908
Provision for Long Service Leave	-	13,716
	<u>16,469</u>	<u>37,624</u>
10 Accumulated Funds		
Accumulated Funds at beginning of Year	68,530	70,361
Add – Adjustment prior Year	12,270	-
Surplus/(Deficit)	(13,151)	(1,831)
	<u>67,649</u>	<u>68,530</u>
11 Reserves		
Reserves for Future Legal Disputes	<u>5,501</u>	<u>5,501</u>

THE PHARMACY GUILD OF AUSTRALIA - TASMANIAN BRANCH

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2006

12 Reconciliation of Cash

Cash at the end of the reporting period as shown in the statement of cash flows is the same as cash per the Balance Sheet and Note 4 to the financial statements.

13 Reconciliation of net cash provided by Operating Activities to Operating Result:

	<u>2006</u>	<u>2005</u>
Net Surplus/(Deficit)	(13,151)	(1,831)
Depreciation	12,991	10,470
Decrease/(Increase) in Receivables	32,825	(42,499)
Decrease/(Increase) in Prepayments	10,539	2,375
Decrease/(Increase) in Inventory	-	606
(Decrease)/Increase in Payables	(128,280)	95,800
(Decrease)/Increase in Provisions	(22,189)	36,566
(Decrease)/Increase in Accumulated Funds	<u>12,270</u>	<u>-</u>
Net Cash Used in Operating Activities	<u><u>\$(94,995)</u></u>	<u><u>\$101,487</u></u>

14 Financial Instruments

a) Terms, Conditions and Accounting Policies

The Branch's accounting policies, including the terms and conditions of each class of financial asset, financial liability and equity instrument are as follows :

Recognised Financial Instruments	Balance Sheet Notes	Accounting Policies	Terms & Conditions
<i>i) Financial Assets</i>			
Receivables – Trade	5	Trade debtors are carried at nominal amounts due less any provision for doubtful debts. A provision for doubtful debt is recognised when collection of the full nominal amount is no longer probable	Credit sales are on 30 day terms
<i>ii) Financial Liabilities</i>			
Trade & Other Creditors and Accrued Expenses	7	Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Association	Trade liabilities are normally settled on 30 day terms
Income In Advance	7	Income in advance is recognised when received	Income in advance will be earned in the subsequent year

THE PHARMACY GUILD OF AUSTRALIA - TASMANIAN BRANCH

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2006

14 Financial Instruments *Contd.*

b) Interest Rate Risk

The Branch's exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities are as follows :

	Weighted Average Effective Int Rate		Floating Interest Rate		Fixed Interest Rate		Non-Interest Bearing	
	2006 %	2005 %	2006 \$	2005 \$	2006 \$	2005 \$	2006 \$	2005 \$
<i>i) Financial Assets</i>								
Cash			28,195	135,817	-	-	-	-
Receivables – Trade	N/A	N/A	-	-	-	-	68,500	101,325
Receivable – Subsidy	N/A	N/A	-	-	-	-	-	-
<i>ii) Financial Liabilities</i>								
Trade & other Creditors and Accrued Expenses	N/A	N/A	-	-	-	-	29,471	28,353
Income in Advance	N/A	N/A	-	-	-	-	-	129,398

c) Net Fair Values

For all financial assets and liabilities, the net fair value approximates their carrying value.

d) Credit Risk

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

15 Capital and Leasing Commitments

There are no capital or leasing commitments as at 30 June 2006. The Motor Vehicle was acquired under an Asset Purchase Agreement.

16 Contingent Liability and Contingent Assets

There are no contingent liabilities or contingent assets as at 30 June 2006.

THE PHARMACY GUILD OF AUSTRALIA - TASMANIAN BRANCH

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2006

17 Income & Expenditure Statement

	<u>2006</u>	<u>2005</u>
		\$
Income		
Administration Recovered	8,000	-
Advertising – Bulletin	-	45
AERF Project	63,796	36,204
AGFEST	750	-
Broad Band for Health	23,515	4,647
Commission Received :		
- Guild Insurance Company	83,514	92,086
- Gold Cross	8,695	12,980
- Other Commissions	-	112
- Pharmacy Computers	147	5,000
- Rollex Fridges	4,468	2,260
- Chemists' Own	7,177	7,294
- Circulation Socks	-	184
- APP	1,423	3,935
- Apothecary	-	455
Health Connect	101,194	-
HMR Grant Income	51,322	122,936
HMR Program Income	5,000	27,773
Interest Received	7,816	7,511
Member Services		
- Clearing House Division	11,528	9,373
- Consultant Pharmacist	182	382
- First Aid Kits	(5)	453
- Guild Digest	25	109
- Mobile Corporate Account	123	861
- Name Badges	-	242
- Narcotics Register	79	(235)
- Other Texts	98	145
- Prescription Proprietary Guide	-	157
- E Pathways Project	2,222	-
- Quality Care Project – Sale of manuals	160	536
- Quality Care Implementation	-	59
Membership Subscriptions :		
- Associates	424	2,327
- Branch	14,688	14,316
- Nominal	1,608	965
- Other	50	25
- Proprietor & Premises	230,369	192,022
National Secretariat – Grant	42,206	12,901
Needle Availability Program	20,000	2,377
PLO	32,083	-
Sundry Income	892	523
Women's Congress 2005	65,140	17,588
Total Income	<u><u>\$788,689</u></u>	<u><u>\$578,548</u></u>

THE PHARMACY GUILD OF AUSTRALIA - TASMANIAN BRANCH

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2006

17 Income & Expenditure Statement *Contd*

	<u>2006</u>	<u>2005</u>
	\$	\$
Expenditure		
Accountancy & Bookkeeping	1,243	950
Advertising	443	-
AER Project	60,811	36,971
AGFEST	1,560	-
Audit Fees	2,500	2,500
Awards & Donations	9,670	4,680
Bad Debts	-	-
Bank Fees	2,467	2,357
Car Parking Expense	618	2,145
Cleaning & Waste Removal	1,760	2,318
Committee Meeting expenses	7,569	4,016
Computer Consultancy & Software	2,012	1,736
Depreciation – Office Equipment & Motor Vehicle	12,991	10,470
Health Connect	95,960	-
HMR Expenses	61,154	98,441
Industrial Expenses	-	44
Insurance	15,379	15,976
Motor vehicle Expenses	5,524	4,179
Meetings, Seminars & Functions	7,841	9,670
National Council Dues & Charges	138,298	133,405
Needle Availability Program	8,479	26,297
Office Expenses	987	1,307
Power & Light	884	934
Payroll Tax	14,023	8,122
Pharmacy Conference Expenses	1,075	3,098
PLO	28,746	-
President's Expenses (net of reimbursements received)	22,796	23,520
Printing, Postage & Stationery	4,327	6,219
Provision for Annual Leave	-	3,181
Provision for Long Service Leave	-	2,038
Quality Care Implementation	672	-
Remuneration		
- Elected Officers	58,106	67,416
- Employees	84,303	59,200
Rent	7,550	10,831
Repairs, Maintenance & Replacements	584	2,588
Security Costs	504	502
Seminars	1,393	-
Staff Training & Seminars	181	417
Subscriptions & Books	419	682
Sundry Expenses	859	515
Superannuation	21,567	18,012
Telephone	6,777	9,007
Travel Expenses	10,792	6,635
Women's Congress	99,016	-
Total Expenditure	<u>801,840</u>	<u>580,379</u>
SURPLUS/(DEFICIT) FOR YEAR	<u>\$(13,151)</u>	<u>\$(1,831)</u>



Australian Government
Australian Industrial Registry

Level 5, 11 Exhibition Street
Melbourne, VIC 3000
GPO Box 1994, Melbourne, VIC 3001
Telephone: (03) 8661 7764
Fax: (03) 9655 0410
Email: kevin.donnellan@air.gov.au

Mr John Dowling
President
The Pharmacy Guild of Australia
Tasmanian Branch

email: tas.admin@guild.org.au

Dear Mr Dowling

Re: Financial Reports for the years ended 30 June 2005, 30 June 2006 and 30 June 2007

I acknowledge receipt of correspondence from your Auditors, WHK Denison, of 26 February 2008. I also acknowledge receipt of correspondence of 12 May 2008 containing the proposed 2007 financial report and the 2005 and 2006 Committee of Management Statements and revised Audit Reports for the Tasmanian Branch of The Pharmacy Guild of Australia.

I would ask that the Branch send to members signed and dated copies of the 2007 financial report, along with the revised 2005 and 2006 Committee of Management Statements and Audit Reports with notification of the presentation of the 2005, 2006 and 2007 reports to a general meeting of members [21 days prior to the meeting].

Within 14 days of the presentation of the reports to a general meeting, an appropriate designated officer's certificate should be lodged along with relevant documents including a copy of the general purpose financial report and operating report for the financial year ended 30 June 2007.

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 'Kevin Donnellan', with a long horizontal flourish extending to the right.

Kevin Donnellan
Statutory Services Branch

15 May 2008

IAN M ROSS

Chartered Accountant

Level 1,60 Liverpool Street, Hobart
Postal: GPO Box 412, Hobart 7001
Telephone: (03) 6234 2211
Facsimile: (03) 6234 3070

28 February 2008

Ms Louise Sullivan
Branch Director
The Pharmacy Guild of Australia – Tasmanian Branch
38 Montpelier Retreat
BATTERY POINT 7004

Dear Ms Sullivan

Audited Accounts 30 June 2005 & 30 June 2006

I enclose three sets of Audited Reports for the Years to 30 June 2005 and 30 June 2006 and which are "General Purpose" Audit Reports and **NOT** Special Purpose Reports.

The Accounts for 2005 and 2006 were prepared as General Purpose Accounts and it says so in Note 1 to the Accounts. In my opinion the Committee of Management and the Directors have signed the Accounts correctly. All that needs to be done is to replace the Audit Reports and sign amended Committee of Management reports for 2005 and 2006 and submit them.

Thanking you

Yours sincerely



Ian M Ross

INDEPENDENT AUDIT REPORT

To the members of The Pharmacy Guild of Australia - Tasmanian Branch.

Scope

I have audited the general purpose financial report of The Pharmacy Guild of Australia - Tasmanian Branch Financial Report for the year ended 30 June 2006 comprising the Statement of Financial Performances, Statement of Financial Position, Statement of Cash Flows and Notes to the Financial Statements. The Committee of Management is responsible for the financial report. I have conducted an independent audit of the financial report in order to express an opinion on it to the members.

My audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. My procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial report is presented fairly in accordance with Australian accounting concepts and standards and relevant statutory and other requirements, so as to present a view which is consistent with my understanding of The Pharmacy Guild of Australia - Tasmanian Branch which is consistent with my understanding of its financial position and the results of its operations.

The audit opinion expressed in this report has been formed on the above basis.

Independence

I am independent of the Pharmacy Guild of Australia and have met the independence requirements of Australian professional ethical pronouncements.

Audit Opinion

In my opinion :

- (a) there were kept by the organisation in respect of the year, satisfactory accounting records detailing the sources and nature of the income of the organisation, including income from members and the nature and purposes of expenditure; and;
- (b) the attached accounts and statements, prepared under the historical cost convention, and in accordance with of the Workplace Relations Act, 1996 and the Registration and Accountability of Organisations Schedule 1, are properly drawn up so as to give a true and fair view of :
 - (i) the financial affairs of the Branch as at 30 June 2006; and;
 - (ii) the income and expenditure, and (deficit) of the Branch for the year ended on that date.
- (c) All information and explanations, that, under the Workplace Relations Act 1996 and the Registration and Accountability of Organisations Schedule 1, officers or employees of the organisation were required to provide, were provided.



IAN M ROSS

Chartered Accountant

Registered Company Auditor No:96

Hobart,

7 September 2006.

INDEPENDENT AUDIT REPORT

To the members of The Pharmacy Guild of Australia - Tasmanian Branch.

Scope

I have audited the general purpose financial report of The Pharmacy Guild of Australia - Tasmanian Branch Financial Report for the year ended 30 June 2006 comprising the Statement of Financial Performances, Statement of Financial Position, Statement of Cash Flows and Notes to the Financial Statements. The Committee of Management is responsible for the financial report. I have conducted an independent audit of the financial report in order to express an opinion on it to the members.

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 - (i) the financial affairs of the Branch as at 30 June 2006; and;
 - (ii) the income and expenditure, and (deficit) of the Branch for the year ended on that date.
- (c) All information and explanations, that, under the Workplace Relations Act 1996 and the Registration and Accountability of Organisations Schedule 1, officers or employees of the organisation were required to provide, were provided.



.....
IAN M ROSS

Chartered Accountant

Registered Company Auditor No:96

Hobart, *7 September 2006.*

INDEPENDENT AUDIT REPORT

To the members of The Pharmacy Guild of Australia - Tasmanian Branch.

Scope

I have audited the general purpose financial report of The Pharmacy Guild of Australia - Tasmanian Branch Financial Report for the year ended 30 June 2006 comprising the Statement of Financial Performances, Statement of Financial Position, Statement of Cash Flows and Notes to the Financial Statements. The Committee of Management is responsible for the financial report. I have conducted an independent audit of the financial report in order to express an opinion on it to the members.

My audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. My procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial report is presented fairly in accordance with Australian accounting concepts and standards and relevant statutory and other requirements, so as to present a view which is consistent with my understanding of The Pharmacy Guild of Australia - Tasmanian Branch which is consistent with my understanding of its financial position and the results of its operations.

The audit opinion expressed in this report has been formed on the above basis.

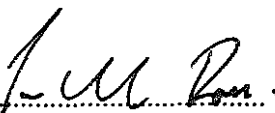
Independence

I am independent of the Pharmacy Guild of Australia and have met the independence requirements of Australian professional ethical pronouncements.

Audit Opinion

In my opinion :

- (a) there were kept by the organisation in respect of the year, satisfactory accounting records detailing the sources and nature of the income of the organisation, including income from members and the nature and purposes of expenditure; and;
- (b) the attached accounts and statements, prepared under the historical cost convention, and in accordance with of the Workplace Relations Act, 1996 and the Registration and Accountability of Organisations Schedule 1, are properly drawn up so as to give a true and fair view of :
 - (i) the financial affairs of the Branch as at 30 June 2006; and;
 - (ii) the income and expenditure, and (deficit) of the Branch for the year ended on that date.
- (c) All information and explanations, that, under the Workplace Relations Act 1996 and the Registration and Accountability of Organisations Schedule 1, officers or employees of the organisation were required to provide, were provided.



IAN M ROSS

Chartered Accountant

Registered Company Auditor No:96

Hobart, 7 September 2006.

THE PHARMACY GUILD OF AUSTRALIA - TASMANIAN BRANCH

COMMITTEE OF MANAGEMENT'S REPORT

YEAR TO 30 JUNE 2006

We, J Dowling and J Drewitt, being President and Vice President – Finance respectively of The Pharmacy Guild of Australia - Tasmanian Branch, do state on behalf of the Committee and in accordance with a resolution passed by the Committee, that :

- (1) In the opinion of the Committee of Management, the attached accounts show a true and fair view of the financial affairs of the Branch as at 30 June 2006.
- (2) in the opinion of the Committee of Management, meetings of the Committee were held during the year ended 30 June 2006, in accordance with the rules of the organisation.
- (3) to the knowledge of any member of the Committee, there have been no instances where records of the organisation or other documents or copies of those records or documents, or copies of the rules of the organisation, have not been furnished, or made available to members in accordance with the requirements of the Workplace Relations Act 1996 and the Registration and Accountability of Organisations Schedule 1, the Regulations thereto, or the rules of the organisation; and;
- (4) the Branch has complied with the requirements of the Act in relation to the financial statements in respect of the year ended 30 June 2006, and the auditor's report thereon.



.....
J Dowling
Branch President

.....
J Drewitt
Vice President – Finance

Dated this

day of September 2006.



Australian Government
Australian Industrial Registry

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Melbourne, VIC 3000
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Fax: (03) 9655 0410
Email: kevin.donnellan@air.gov.au

Mr John Dowling
President
The Pharmacy Guild of Australia
Tasmanian Branch

email: tas.admin@guild.org.au

Dear Mr Dowling

Re: Financial Reports for the years ended 30 June 2005, 30 June 2006 and 30 June 2007

I acknowledge receipt of the financial reports for the Tasmanian Branch of The Pharmacy Guild of Australia for the abovementioned years. The report for 2006 was lodged in the Registry on 23 August 2007. The 2007 report was lodged with the Registry on 5 October 2007. The 2005 report was lodged with the Registry on 8 October 2007, following a request from this office, there being no record at that time of previous receipt of the report.

I have a number of concerns regarding the reports which I would like to discuss with you. In particular, I am concerned that the reports for 2005 and 2006 appear to have been prepared under the former legislative scheme. Also, the 2005 and 2006 reports are, in the opinion of the auditor, a special purpose report, when clearly a general purpose financial report is required under the legislation. In addition, it appears the prescribed timelines have not been met in relation to each of the reporting periods.

I would appreciate it if you would contact me to discuss these matters when you have had a chance to review the relevant documents and processes. However, before you do so, I would be pleased if you would consider the matters raised below.

In relation to the 2007 report I seek your comment, and that of your auditor, on the following matters:

Income Statement for the year ended 30 June 2007

The figures for *Total income* (\$425,888) and *Total Expenses* (\$439,039) for the 2006 period, listed in the *Income Statement for the year ended 30 June 2007* do not correspond to the figures for *Revenue from Ordinary Activities* (\$788,689) and *Total Expenditure* (\$801,840) listed in the *Statement of Financial Performance* for the *Financial Report for the year ended 30 June 2006*.

Could the Branch provide an explanation as to why restatements have been made to the prior year's accounts; whether the Branch believes that it has complied with accounting standards AASB 108 Accounting Policies, Changes in accounting Estimates and Errors paragraph 49; and whether the nature of the change in the 2006 column of the 30 June 2007 reported revenue has been made according to the standard.

Qualified report

It is not clear to me why the auditor has chosen to qualify the report, rather than deal with any misstatement arising from previous years report as an emphasis matter similar to the approach in relation to whether or not the reporting unit is a going concern.

Going concern

Is there any reason the auditor (or the Branch) may have formed the view that the national body will not continue to support the Branch? I note that the National Secretariat has given a subsidy for each of the last two financial years with a considerable increase in 2007.

Also, the auditor's report refers to "the financial position of the Independent Education Union of Australia" in the Qualified Audit Opinion.

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 'Kevin Donnellan', with a long horizontal flourish extending to the right.

Kevin Donnellan
Statutory Services Branch

25 February 2008



The PHARMACY GUILD of AUSTRALIA
TASMANIAN BRANCH

Designated Officer's Certificate
268 of Schedule 1B Workplace Relations Act 1996

I John Dowling being the President of The Pharmacy Guild of Australia TAS Branch certify:

- That the documents lodged herewith are copies of the full report referred to in 268 of the RAO Schedule; and
- That the full report was made available to members on 8th September 2006; and
- That the full report was presented to a general meeting of members of the reporting unit on 25th September 2006 in accordance with section 266 of the RAO Schedule.

John Dowling
Branch President
24 September 07

AP



THE PHARMACY GUILD OF AUSTRALIA - TASMANIAN BRANCH

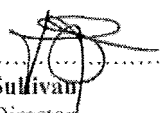
STATEMENT BY BRANCH DIRECTOR

YEAR TO 30 JUNE 2006

I, Louise Sullivan, being the officer responsible for keeping the accounting records of The Pharmacy Guild of Australia – Tasmanian Branch, certify that as at 30 June 2005, the number of members of the Branch is 132 (inclusive of all categories).

In my opinion:

- (1) the attached accounts show a true and fair view of the financial affairs of the Branch as at 30 June 2006.
- (2) a record has been kept of all monies paid by, or collected from, members and all monies so paid or collected have been credited to the Bank account to which those monies are to be credited, in accordance with the rules of the organisation;
- (3) before any expenditure was incurred approval of the incurring of the expenditure was obtained in accordance with the rules of the organisation;
- (4) with regard to funds of the organisation raised by compulsory levies or voluntary contributions from members or funds other than the General Fund operated in accordance with the Rules, no payments were made out of any such fund or purposes other than those for which the fund was operated;
- (5) no loans or other financial benefits, other than remuneration in respect of their full time employment with the organisation, were made to persons holding office in the organisation; and
- (6) the register of members of the Branch was maintained in accordance with the Act.


.....
Louise Sullivan
Branch Director

Dated this

day of September 2006.

THE PHARMACY GUILD OF AUSTRALIA - TASMANIAN BRANCH

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2006

	Note	<u>2006</u>	<u>2005</u>
		\$	\$
Revenue from Ordinary Activities		<u>788,689</u>	<u>578,548</u>
Employment Expenses		163,976	144,628
Depreciation and Amortisation Expense		12,991	10,470
Other Expenses from Ordinary Activities		<u>624,873</u>	<u>425,281</u>
Total Expenditure		<u>801,840</u>	<u>580,379</u>
Surplus/(Deficit) from Ordinary Activities	17	<u><u>\$(13,151)</u></u>	<u><u>\$(1,831)</u></u>

THE PHARMACY GUILD OF AUSTRALIA - TASMANIAN BRANCH

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2006

	Note	<u>2006</u>	<u>2005</u>
Cash Flows From Operating Activities	13		
Income from Members & Grants		780,873	598,904
Interest Received		7,816	7,511
Payments to Suppliers & Employees		(883,684)	(504,928)
Net Cash Used in Operating Activities		(94,995)	101,487
Cash Flows From Investing Activities			
Payments for Plant & Equipment		(12,627)	(33,888)
Net Cash Used in Investing Activities		(12,627)	(33,888)
Net Increase/(Decrease) In Cash Held		(107,622)	67,599
Cash Held at the Beginning of the Financial Year	4	<u>135,517</u>	<u>68,218</u>
Cash Held at the End of the Financial Year	4	<u>\$ 28,195</u>	<u>\$135,817</u>

THE PHARMACY GUILD OF AUSTRALIA - TASMANIAN BRANCH

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 30 JUNE 2006

	Note	<u>2006</u>	<u>2005</u>
Current Assets			
Cash	4	28,195	135,817
Receivables	5	68,500	101,325
Prepaid Insurance		-	10,539
Inventory		588	588
Total Current Assets		<u>97,283</u>	<u>248,269</u>
Non-Current Assets			
Property, Plant & Equipment & Motor Vehicle	6	41,179	41,543
Total Non-Current Assets		<u>41,179</u>	<u>41,543</u>
Total Assets		<u>138,462</u>	<u>289,812</u>
Current Liabilities			
Payables	7	29,471	157,751
Provisions	8	19,372	20,406
Total Current Liabilities		<u>48,843</u>	<u>178,157</u>
Non-Current Liabilities			
Provisions	9	16,469	37,624
Total Non-Current Liabilities		<u>16,469</u>	<u>37,624</u>
Total Liabilities		<u>65,312</u>	<u>215,781</u>
Net Assets		<u>\$ 73,150</u>	<u>\$ 74,031</u>
Members Equity			
Accumulated Funds	10	67,649	68,530
Reserves	11	5,501	5,501
Total Members Equity		<u>\$ 73,150</u>	<u>\$ 74,031</u>

THE PHARMACY GUILD OF AUSTRALIA - TASMANIAN BRANCH

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2006

1 **Statement of Significant Accounting Policies**

This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting standards and other mandatory professional reporting requirements. The financial report is 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 accounting policies have been consistently applied, unless otherwise stated.

The following is a summary of the material accounting policies adopted by the Branch in the preparation of the financial statements:

(a) **Income Tax**

No provision for income tax is necessary as the Branch is exempt from income tax under section 50-15 of the Income Tax Assessment Act, 1997.

(b) **Fixed Assets**

The depreciable amount of all fixed assets are depreciated using both the straight line basis and the diminishing value basis over the useful lives of the assets to the Branch commencing from the time the asset is held ready for use.

The depreciation rates used for Property, Plant & Equipment range between 20-27% Diminishing Value and 17%-33% Straight Line.

The carrying amount of fixed assets is reviewed annually to ensure it is not in excess of the recoverable amount of those assets.

The recoverable amount is assessed on the basis of 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 their present values in determining the recoverable amounts.

(c) **Employee Benefits**

Provision is made for the Branch's liability for employee Benefits arising from services rendered by employees to balance date. Employee Benefits expected to be settled within one year together with Benefits 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 Benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those Benefits.

Contributions are made by the Branch to an employee superannuation fund and are charged as expenses when incurred.

(d) **Cash**

For the purposes of the Statement of Cash Flows, cash includes cash on hand, at banks and on deposit.

THE PHARMACY GUILD OF AUSTRALIA - TASMANIAN BRANCH

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2006

1 Statement of Significant Accounting Policies (*contd*)

(e) Revenue

Subscription income is recognised in the period to which the subscriptions relate. Revenue from the provision of services is recognised when the right to be compensated for the services has been attained.

Interest is recognised over the period for which the funds are invested.

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

(f) Prior Year Adjustment

As a result of a clarification of employee long service calculations, a prior year adjustment was brought to account in 2002, being equal to the additional amount that would have been provided for in prior years, had the entitlement been correctly determined.

(g) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivable and payables in the statement of financial position are shown inclusive of GST.

(h) Comparatives

Where applicable comparative figures have been adjusted to conform with changes in presentation for the current financial year.

(i) Adoption of Australian Equivalents to International Financial Reporting Standards

International Financial Reporting Standards (IFRS) are effective for financial years commencing 1 January 2005.

The Directors have assessed the significance of these changes

The Directors are of the opinion that the key differences in the economic entity's accounting policies which arise from the adoption of IFRS are :

Impairment of assets

The entity currently determines the recoverable amount of an asset on the basis of undiscounted net cash flows that will be received from the assets use and subsequent disposal. In terms of AASB 136 *Impairment of Assets*, the recoverable amount of an asset will be determined as the higher of fair value less costs to sell and value in use. It is likely that this change in accounting policy will lead to impairments being recognised.

Non-current investments

Under the AASB : *Financial Instruments : Recognition and Measurement*, financial instruments that are classified as available for sale instruments must be carried at fair value. Unrealised gains or losses may be recognised either in income or directly to equity. Current accounting policy is to measure non-current investments at cost, with an annual review by Directors to ensure that the carrying amounts are not in excess of recoverable value.

The Directors are of the opinion, that there are no Impairments to the present assets and the Non-current investments are at recoverable value.

THE PHARMACY GUILD OF AUSTRALIA - TASMANIAN BRANCH

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2006

Statement of Significant Accounting Policies (*contd*)

2 Information to be Provided to Members or Registrar

- (i) A member of an organisation, or a Registrar, may apply to the organisation for specified prescribed information in relation to the organisation.
- (ii) An organisation shall, on application made under subsection (1) by a member of the organisation or a Registrar, make the specified information available to the member or Registrar in such manner, and within such time, as is prescribed.
- (iii) A Registrar may only make an application under subsection (1) at the request of a member of the organisation concerned, and the Registrar shall provide to a member information received because of an application made at the request of the member.

3 Segmental Reporting

The Tasmanian Branch of the Pharmacy Guild of Australia provide services to the pharmacists throughout Tasmania.

THE PHARMACY GUILD OF AUSTRALIA - TASMANIAN BRANCH

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2006

	<u>2006</u>	<u>2005</u>
4 Cash		
Women's Congress Account	6,939	18,785
ANZ Visa/Amex	(3,137)	(5,627)
Cheque Account	24,333	123,042
Clearing House Account	-	(383)
Cash on Hand	<u>60</u>	<u>-</u>
	<u>28,195</u>	<u>135,817</u>
5 Receivables		
Sundry Receivables	-	2,483
Trade Debtors	<u>68,500</u>	<u>98,842</u>
	<u>68,500</u>	<u>101,325</u>
6 Property Plant & Equipment		
Office Equipment (at cost)	63,163	50,536
Accumulated Depreciation	<u>(44,171)</u>	<u>(37,621)</u>
	<u>18,992</u>	<u>12,915</u>
Motor Vehicle (at Cost)	32,426	32,426
Accumulated Depreciation	<u>(10,239)</u>	<u>(3,798)</u>
	<u>22,187</u>	<u>28,628</u>
Total property Plant & Equipment & Motor Vehicle	<u>41,179</u>	<u>41,543</u>
7 Creditors & Borrowings		
Trade Creditors	21,138	17,304
Accrued Expenses	1,422	1,229
GST (net)	4,319	9,820
Subscriptions Received in Advance	-	23,252
Superannuation	2,592	-
Unexpended Grant Funds	<u>-</u>	<u>106,146</u>
	<u>29,471</u>	<u>157,751</u>
8 Provisions (Current)		
Provision for Annual Leave	11,933	12,967
Asset Purchase – Motor Vehicle	<u>7,439</u>	<u>7,439</u>
	<u>19,372</u>	<u>20,406</u>
9 Provisions (Non-Current)		
Asset Purchase – Motor Vehicle	16,469	23,908
Provision for Long Service Leave	<u>-</u>	<u>13,716</u>
	<u>16,469</u>	<u>37,624</u>
10 Accumulated Funds		
Accumulated Funds at beginning of Year	68,530	70,361
Add – Adjustment prior Year	12,270	-
Surplus/(Deficit)	<u>(13,151)</u>	<u>(1,831)</u>
	<u>67,649</u>	<u>68,530</u>
11 Reserves		
Reserves for Future Legal Disputes	<u>5,501</u>	<u>5,501</u>

THE PHARMACY GUILD OF AUSTRALIA - TASMANIAN BRANCH

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2006

12 Reconciliation of Cash

Cash at the end of the reporting period as shown in the statement of cash flows is the same as cash per the Balance Sheet and Note 4 to the financial statements.

13 Reconciliation of net cash provided by Operating Activities to Operating Result:

	<u>2006</u>	<u>2005</u>
Net Surplus/(Deficit)	(13,151)	(1,831)
Depreciation	12,991	10,470
Decrease/(Increase) in Receivables	32,825	(42,499)
Decrease/(Increase) in Prepayments	10,539	2,375
Decrease/(Increase) in Inventory	-	606
(Decrease)/Increase in Payables	(128,280)	95,800
(Decrease)/Increase in Provisions	(22,189)	36,566
(Decrease)/Increase in Accumulated Funds	<u>12,270</u>	<u>-</u>
Net Cash Used in Operating Activities	<u><u>\$(94,995)</u></u>	<u><u>\$101,487</u></u>

14 Financial Instruments

a) Terms, Conditions and Accounting Policies

The Branch's accounting policies, including the terms and conditions of each class of financial asset, financial liability and equity instrument are as follows:

Recognised Financial Instruments	Balance Sheet Notes	Accounting Policies	Terms & Conditions
<i>i) Financial Assets</i>			
Receivables – Trade	5	Trade debtors are carried at nominal amounts due less any provision for doubtful debts. A provision for doubtful debt is recognised when collection of the full nominal amount is no longer probable	Credit sales are on 30 day terms
<i>ii) Financial Liabilities</i>			
Trade & Other Creditors and Accrued Expenses	7	Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Association	Trade liabilities are normally settled on 30 day terms
Income In Advance	7	Income in advance is recognised when received	Income in advance will be earned in the subsequent year

THE PHARMACY GUILD OF AUSTRALIA - TASMANIAN BRANCH

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2006

14 Financial Instruments *Contd.*

b) Interest Rate Risk

The Branch's exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities are as follows :

	Weighted Average Effective Int Rate		Floating Interest Rate		Fixed Interest Rate		Non-Interest Bearing	
	2006 %	2005 %	2006 \$	2005 \$	2006 \$	2005 \$	2006 \$	2005 \$
<i>i) Financial Assets</i>								
Cash			28,195	135,817	-	-	-	-
Receivables - Trade	N/A	N/A	-	-	-	-	68,500	101,325
Receivable - Subsidy	N/A	N/A	-	-	-	-	-	-
<i>ii) Financial Liabilities</i>								
Trade & other Creditors and Accrued Expenses	N/A	N/A	-	-	-	-	29,471	28,353
Income in Advance	N/A	N/A	-	-	-	-	-	129,398

c) Net Fair Values

For all financial assets and liabilities, the net fair value approximates their carrying value.

d) Credit Risk

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

15 Capital and Leasing Commitments

There are no capital or leasing commitments as at 30 June 2006. The Motor Vehicle was acquired under an Asset Purchase Agreement.

16 Contingent Liability and Contingent Assets

There are no contingent liabilities or contingent assets as at 30 June 2006.

THE PHARMACY GUILD OF AUSTRALIA - TASMANIAN BRANCH

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2006

17 Income & Expenditure Statement

	<u>2006</u>	<u>2005</u>
Income		\$
Administration Recovered	8,000	-
Advertising – Bulletin	-	45
AERF Project	63,796	36,204
AGFEST	750	-
Broad Band for Health	23,515	4,647
Commission Received :		
- Guild Insurance Company	83,514	92,086
- Gold Cross	8,695	12,980
- Other Commissions	-	112
- Pharmacy Computers	147	5,000
- Rollex Fridges	4,468	2,260
- Chemists' Own	7,177	7,294
- Circulation Socks	-	184
- APP	1,423	3,935
- Apothecary	-	455
Health Connect	101,194	-
HMR Grant Income	51,322	122,936
HMR Program Income	5,000	27,773
Interest Received	7,816	7,511
Member Services		
- Clearing House Division	11,528	9,373
- Consultant Pharmacist	182	382
- First Aid Kits	(5)	453
- Guild Digest	25	109
- Mobile Corporate Account	123	861
- Name Badges	-	242
- Narcotics Register	79	(235)
- Other Texts	98	145
- Prescription Proprietary Guide	-	157
- E Pathways Project	2,222	-
- Quality Care Project – Sale of manuals	160	536
- Quality Care Implementation	-	59
Membership Subscriptions :		
- Associates	424	2,327
- Branch	14,688	14,316
- Nominal	1,608	965
- Other	50	25
- Proprietor & Premises	230,369	192,022
National Secretariat – Grant	42,206	12,901
Needle Availability Program	20,000	2,377
PLO	32,083	-
Sundry Income	892	523
Women's Congress 2005	<u>65,140</u>	<u>17,588</u>
Total Income	<u><u>5788,689</u></u>	<u><u>\$578,548</u></u>

THE PHARMACY GUILD OF AUSTRALIA - TASMANIAN BRANCH

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2006

17 Income & Expenditure Statement *Contd*

	<u>2006</u>	<u>2005</u>
Expenditure	\$	\$
Accountancy & Bookkeeping	1,243	950
Advertising	443	-
AER Project	60,811	36,971
AGFEST	1,560	-
Audit Fees	2,500	2,500
Awards & Donations	9,670	4,680
Bad Debts	-	-
Bank Fees	2,467	2,357
Car Parking Expense	618	2,145
Cleaning & Waste Removal	1,760	2,318
Committee Meeting expenses	7,569	4,016
Computer Consultancy & Software	2,012	1,736
Depreciation - Office Equipment & Motor Vehicle	12,991	10,470
Health Connect	95,960	-
HMR Expenses	61,154	98,441
Industrial Expenses	-	44
Insurance	15,379	15,976
Motor Vehicle Expenses	5,524	4,179
Meetings, Seminars & Functions	7,841	9,670
National Council Dues & Charges	138,298	133,405
Needle Availability Program	8,479	26,297
Office Expenses	987	1,307
Power & Light	884	934
Payroll Tax	14,023	8,122
Pharmacy Conference Expenses	1,075	3,098
PLO	28,746	-
President's Expenses (net of reimbursements received)	22,796	23,520
Printing, Postage & Stationery	4,327	6,219
Provision for Annual Leave	-	3,181
Provision for Long Service Leave	-	2,038
Quality Care Implementation	672	-
Remuneration		
- Elected Officers	58,106	67,416
- Employees	84,303	59,200
Rent	7,550	10,831
Repairs, Maintenance & Replacements	584	2,588
Security Costs	504	502
Seminars	1,393	-
Staff Training & Seminars	181	417
Subscriptions & Books	419	682
Sundry Expenses	859	515
Superannuation	21,567	18,012
Telephone	6,777	9,007
Travel Expenses	10,792	6,635
Women's Congress	99,016	-
Total Expenditure	<u>801,840</u>	<u>580,379</u>
SURPLUS/(DEFICIT) FOR YEAR	<u>\$ (13,151)</u>	<u>\$ (1,831)</u>

INDEPENDENT AUDIT REPORT

To the members of The Pharmacy Guild of Australia - Tasmanian Branch.

Scope

I have audited the special purpose financial report of The Pharmacy Guild of Australia - Tasmanian Branch Financial Report for the year ended 30 June 2006 comprising the Statement of Financial Performances, Statement of Financial Position, Statement of Cash Flows and Notes to the Financial Statements. The Committee of Management is responsible for the financial report. I have conducted an independent audit of the financial report in order to express an opinion on it to the members.

My audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. My procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial report is presented fairly in accordance with Australian accounting concepts and standards and relevant statutory and other requirements, so as to present a view which is consistent with my understanding of The Pharmacy Guild of Australia - Tasmanian Branch which is consistent with my understanding of its financial position and the results of its operations.

The audit opinion expressed in this report has been formed on the above basis.


Independence

I am independent of the Pharmacy Guild of Australia and have met the independence requirements of Australian professional ethical pronouncements.

Audit Opinion

In my opinion :

- (a) there were kept by the organisation in respect of the year, satisfactory accounting records detailing the sources and nature of the income of the organisation, including income from members and the nature and purposes of expenditure; and;
- (b) the attached accounts and statements, prepared under the historical cost convention, and in accordance with Section 273 of the Workplace Relations Act, 1996, are properly drawn up so as to give a true and fair view of:
 - (i) the financial affairs of the Branch as at 30 June 2006; and;
 - (ii) the income and expenditure, and (deficit) of the Branch for the year ended on that date.
- (c) All information and explanations, that, under subsection 276(2), officers or employees of the organisation were required to provide, were provided.


.....
IAN M ROSS
Chartered Accountant
Registered Company Auditor No:96

Hobart.

Date *7 September 2006*.

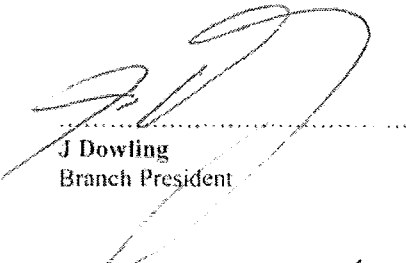
THE PHARMACY GUILD OF AUSTRALIA - TASMANIAN BRANCH


COMMITTEE OF MANAGEMENT'S REPORT

YEAR TO 30 JUNE 2006

We, J Dowling and J Drewitt, being President and Vice President – Finance respectively of The Pharmacy Guild of Australia - Tasmanian Branch, do state on behalf of the Committee and in accordance with a resolution passed by the Committee, that :

- (1) In the opinion of the Committee of Management, the attached accounts show a true and fair view of the financial affairs of the Branch as at 30 June 2006.
- (2) in the opinion of the Committee of Management, meetings of the Committee were held during the year ended 30 June 2006, in accordance with the rules of the organisation.
- (3) to the knowledge of any member of the Committee, there have been no instances where records of the organisation or other documents (not being available to a member of the organisation under sub-section (1) to (3) of section 274 of the Workplace Relations Act 1996) or copies of those records or documents, or copies of the rules of the organisation, have not been furnished, or made available to members in accordance with the requirements of the Workplace Relations Act 1996, the Regulations thereto, or the rules of the organisation; and;
- (4) the Branch has complied with sub-section 279(1) and (6) of the Act in relation to the financial statements in respect of the year ended 30 June 2006, and the auditor's report thereon.


.....
J Dowling
Branch President


.....
J Drewitt
Vice President – Finance

Dated this

7th

day of September 2006.