



**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](mailto:tas.admin@guild.org.au)

Dear Ms Liauw

**Re: Financial Report for The Pharmacy Guild of Australia – Tasmanian Branch for year ended 30 June 2007 – FR2007/427**

I acknowledge receipt of the revised financial report for The Pharmacy Guild of Australia, Tasmanian Branch for the year ended 30 June 2007. This document was lodged with the Registry on 11 August 2008.

***Documents should be signed and dated***

All statements and reports included in the financial report are to be signed and properly dated before the report is referred to the Auditor and prior to distribution to members.

In correspondence dated 15 May 2008 I indicated that the Branch send to members signed and dated copies of the 2007 financial report, with notification of the presentation of the 2007 report to a general meeting of members. The 2007 report was presented to a general meeting of members of the Branch on 5 August 2008.

The 2007 financial report, lodged on 11 August 2008, contained a Committee of Management Statement which did not record the date of the resolution and the date the Statement was signed, although Committee of Management Statement contained in the financial report filed on 5 October 2007 did contain these elements. The Operating Report was also not fully dated.

Could the Branch ensure that documentation contained in future reports is signed and properly dated.

**Audit Report**

The revised Audit Report was signed and dated on 5 August 2008, the same day as the presentation of the financial report to the general meeting of members.

As you are aware the reporting process begins with a meeting of the committee of management. At that meeting a resolution is passed authorising the making of a statement by the committee in which it makes certain declarations with respect to the reporting unit's compliance with various aspects of Schedule 1 and the Industrial Registrar's Guidelines. This Committee of Management Statement and the General Purpose Financial Report are then audited.

Once the Auditor provides the Audit Report to the Branch, the General Purpose Financial Report, including the Committee of Management Statement, the Operating Report and the Auditor's Report – known as the full report – are then provided to members.

The designated officer's certificate records that the full report was made available to members on 7 July 2008 although the revised Audit Report was dated 5 August 2008. In the normal course of events, if the dates on the documents are accurate, the Branch would be required to repeat certain steps in the reporting process.

However, I am satisfied that a set of financial documents has been audited, provided to members and presented to a meeting.

The financial report has now been filed. 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 read 'Kevin Donnellan', with a long horizontal flourish extending to the right.

Kevin Donnellan  
Statutory Services Branch

10 September 2008

## **Attachment**

2007 Financial Report

### ***Timescales***

The financial reporting obligations set out in Schedule 1 of the Workplace Relations Act 1996 (the RAO Schedule) requires the reporting unit to undertake various steps in accordance with specified timelines. The Registry has produced a fact sheet which sets out in diagrammatic form (fact sheet 9) the requisite sequence. This document can be accessed at:

[http://www.airc.gov.au/legislation/fact\\_sheets/09\\_fact\\_sheet.pdf](http://www.airc.gov.au/legislation/fact_sheets/09_fact_sheet.pdf).

### ***Notice for Future Reports***

It should be noted that the Industrial Registrar attaches importance to reporting units both fully satisfying the obligations under Schedule 1 and to those obligations being discharged within the requisite timeframes. Could the Branch ensure that future financial returns fully satisfy the above obligations.

In the event the documents submitted do not fully comply with the legislative requirements in Schedule 1 then the report will not be filed and the reporting unit will be required to repeat these aspects that do not comply.

### ***Operating Report***

#### ***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. 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.

#### ***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 to be provided in the operating report “*where a criterion for the officer or member being the trustee or director is that the officer or member is an officer or member of a registered organisation*”.

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.”*

### ***Income Statement***

#### ***Donations, Grants or Loans***

I have noted that affiliations & donations totalling \$6585 were made in 2006-7. Under subsection 237(1) of the RAO Schedule there are certain steps that need to be taken if an individual donation exceeds \$1000.

As no subsection 237(1) statement has been lodged we assume that no single donation exceeded \$1000. Should this not be the case, please immediately advise the Registry of the details and ensure that there is compliance with the reporting requirements of section 237, other than with respect to the required timeframe. I have attached a template Statement you may wish to use (if appropriate).

### ***Notes to financial Reports***

#### *Notice under Section 272(5) of the RAO Schedule*

As you are aware, the notes to the General Purpose Financial Report are required to include a notice drawing attention to the fact that information that is prescribed by the RAO Regulations is available to members on request.

The wording of section 272(5) of the RAO Schedule is as follows (emphasis added):

*“(5) A general purpose financial report prepared under section 253, a concise report prepared under section 265 and a report prepared under subsection 270(4) must include a notice drawing attention to subsections (1), (2) and (3) of this section **and setting out those subsections.**”*

Would you please ensure in future that the notes contain this extract of the RAO Schedule, word for word:

*“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.



**The PHARMACY GUILD of AUSTRALIA**  
**TASMANIAN BRANCH**

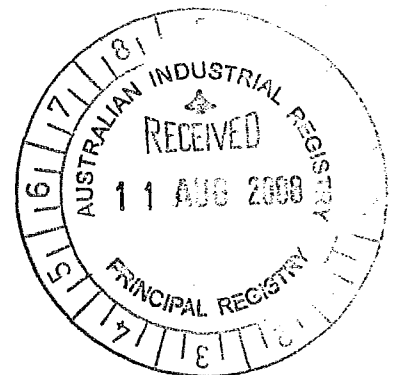
**Designated Officer's Certificate**  
**268 of Schedule 1B Workplace Relations Act 1996**

2006-2007 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 7<sup>th</sup> July 2008; and
- That the full report was presented to a general meeting of members of the reporting unit on 5<sup>th</sup> August 2008 in accordance with section 266 of the RAO Schedule.

John Dowling  
Branch President  
5 August 2008



# **Pharmacy Guild of Australia – Tasmania Branch**

## **Financial Statements**

**For the Year Ended 30 June 2007**

# Pharmacy Guild of Australia – Tasmania Branch

For the Year Ended 30 June 2007

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# Pharmacy Guild of Australia – Tasmania Branch

## Income Statement

For the Year Ended 30 June 2007

	2007	2006
	\$	\$
<b>Income</b>		
Commissions	112,225	105,425
Interest income	6,747	7,816
Employee Contributions - MV	9,398	-
Grants	111,669	42,206
Administration Recovered	3,136	8,000
Other income	238,224	262,441
<b>Total income</b>	<b>481,399</b>	<b>425,888</b>
<b>Less: Expenses</b>		
Accounting fees	2,190	1,243
Annual Leave	6,234	-
Advertising	-	443
Auditors remuneration	1,000	1,364
Bad debts	26,503	-
Bank charges	2,713	2,467
Cleaning	773	1,760
Affiliations & Donations	6,585	8,952
Computer expenses	4,118	2,012
Committee Meeting Expenses	3,278	3,774
Committee Members	4,358	3,795
Pharmacy Conference Expense	5,321	1,075
Depreciation	6,522	6,550
Electricity and water	442	884
Fringe Benefits Tax	-	632
Functions	413	585
Gifts - Award Presentations	1,815	718
Health Connect over expended grant	4,554	-
Insurance	9,246	15,379
Interest	122	-
Lease rentals on operating lease	5,680	7,550
Loss on Disposal of Asset	435	-
Long Service Leave	4,945	-
Meeting & Dinners	5,350	7,256
Motor vehicle expenses	19,117	14,218
National Council Dues	144,942	138,298
Payroll Tax	10,680	14,023
Office Expenses	1,519	987
Parking	2,291	618
Postage	637	1,160
Printing and stationery	2,831	3,167
President's Expenses	18,402	22,796
Prior Period Adjustment	1(m) 8,860	-
Recruitment Expenses	700	-



# Pharmacy Guild of Australia – Tasmania Branch

## Income Statement

For the Year Ended 30 June 2007

	Note	2007 \$	2006 \$
Reimbursements		-	3,520
Repairs and maintenance		205	584
Salaries		199,703	142,409
Security costs		214	504
Seminars		-	1,393
Staff training		672	181
Subscriptions		1,542	419
Sundry expenses		223	897
Superannuation contributions		23,056	21,567
Telephone and fax		11,327	6,777
Travel – domestic		4,389	5,020
Women's Congress		-	10,361
AGFEST		-	809
HMR Net Income		-	10,563
NAP Net Income		-	(11,521)
PLO Net Income		-	(3,338)
PGL/HMR Conference		-	(4,595)
HealthConnect		-	(5,233)
AERF QMAS Net Income		-	(5,000)
AER Net Income		-	2,017
<b>Total Expenses</b>		<b>(553,907)</b>	<b>(439,039)</b>
<b>Operating Profit/(Loss)</b>	8	<b>(72,508)</b>	<b>(13,151)</b>

This statement should be read in conjunction with the accompanying notes

# Pharmacy Guild of Australia – Tasmania Branch

## Balance Sheet

For the Year Ended 30 June 2007

	Note	2007 \$	2006 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	2	16,942	31,333
Trade and other receivables	3	83,406	68,500
Inventories		1,461	588
Other current assets	5	7,545	-
<b>Total current assets</b>		<b>109,354</b>	<b>100,421</b>
<b>Non-current assets</b>			
Property, plant and equipment	4	63,849	41,179
<b>Total non-current assets</b>		<b>63,849</b>	<b>41,179</b>
<b>TOTAL ASSETS</b>		<b>173,203</b>	<b>141,600</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	6	132,664	56,248
Short-term provisions	7	26,578	12,201
<b>Total current liabilities</b>		<b>159,242</b>	<b>68,449</b>
<b>Non-current liabilities</b>			
Other long-term provisions	7	13,317	-
<b>Total non-current liabilities</b>		<b>13,317</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>172,559</b>	<b>68,449</b>
<b>NET ASSETS</b>		<b>644</b>	<b>73,151</b>
<b>EQUITY</b>			
Reserves	8(a)	5,501	5,501
Retained earnings	8(b)	(4,857)	67,650
<b>TOTAL EQUITY</b>		<b>644</b>	<b>73,151</b>

This statement should be read in conjunction with the accompanying notes

# Pharmacy Guild of Australia – Tasmania Branch

## Statement of Changes in Equity

For the Year Ended 30 June 2007

	Notes	2007 \$	2006 \$
Balance as at 1 July	8	73,151	86,302
Surplus/(Deficit) For the Year		(72,507)	(13,151)
Transfers to and from reserves		-	-
<b>Balance as at 30 June</b>		<b>644</b>	<b>73,151</b>

This statement should be read in conjunction with the accompanying notes

# Pharmacy Guild of Australia – Tasmania Branch

## Cash Flow Statement

For the Year Ended 30 June 2007

	Notes	2007 \$	2006 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Income from members and grants		783,440	780,873
Interest Received		6,747	7,816
Payments to Suppliers & Employees		(808,257)	(883,684)
Interest Paid		(122)	-
Net cash increase from operating activities	9(b)	<u>(18,192)</u>	<u>(94,995)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from the Sale of Property, Plant & Equipment		18,182	-
Payment for Property, Plant & Equipment		(61,245)	(12,627)
Net cash used in operating activities		<u>(43,063)</u>	<u>(12,627)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Funds from financing arrangements		39,380	-
Net cash used in operating activities		<u>39,380</u>	<u>-</u>
<b>Net increase/(decrease) in cash held</b>		<b>(21,875)</b>	<b>(107,622)</b>
<b>Cash at Beginning of Financial Period</b>		<b>28,195</b>	<b>135,517</b>
<b>Cash at end of Financial Period</b>	9(a)	<u><u>6,320</u></u>	<u><u>28,195</u></u>

# Pharmacy Guild of Australia – Tasmania Branch

## Notes to the Financial Statements

For the Year Ended 30 June 2007

### 1 Statement of Significant Accounting Policies

#### (a) General information

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Workplace Relations Act 1996.

The financial report covers Pharmacy Guild of Australia - Tasmania Branch as an individual entity. Pharmacy Guild of Australia - Tasmania Branch is an incorporated association under the Workplace Relations Act 1996.

The financial report of Pharmacy Guild of Australia - Tasmania Branch as an individual entity complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

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

#### (b) Basis of Preparation

##### Reporting Basis and Conventions - reporting entity

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

#### (c) Comparative Figures

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

#### (d) Property, Plant and Equipment

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

##### Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

##### Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight-line basis and diminishing value basis over their useful lives to the Branch commencing from the time the asset is held ready for use.

# Pharmacy Guild of Australia – Tasmania Branch

## Notes to the Financial Statements

For the Year Ended 30 June 2007

### 1 Statement of Significant Accounting Policies (continued)

#### (d) Property, Plant and Equipment (continued)

The depreciation rates used for each class of depreciable assets range between 20%-27% Diminishing Value and 17%-33% Straight Line

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

#### (e) Inventories

Inventories are measured at cost.

#### (f) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

#### (g) Employee Benefits

Provision is made for the Branch's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at present value of the estimated future cash outflows to be made for those benefits.

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

#### (h) Provisions

Provisions are recognised when the Branch has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

#### (i) Income Tax

No provision for income taxes has been raised as the Association is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

#### (j) Revenue

Subscription income is recognised in the period to which the subscriptions relate.

Interest revenue is recognised over the period for which the funds were invested.

Revenue from the rendering of services is recognised upon the delivery of the service to the customers.

# Pharmacy Guild of Australia – Tasmania Branch

## Notes to the Financial Statements

For the Year Ended 30 June 2007

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

### (k) Goods and Services Tax (GST)

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

### (l) Notes to be provided to members or registrar

(a) 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.

(b) 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.

(c) A reporting unit must comply with an application made under s 272(1) (2) and (3) of the RAO Schedule.

### (m) Prior Year Adjustment

During the course of 2007, a number of anomalies requiring prior year adjustments were identified. Such adjustments were made via the prior year adjustment expense account.

## 2 Cash and Cash Equivalents

	2007	2006
Note	\$	\$
NAB Cheque Account	10,710	24,334
Women's Congress Account	6,107	6,939
Cash on Hand	125	60
	<u>16,942</u>	<u>31,333</u>

### Reconciliation of Cash

Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:

Cash and cash equivalents	16,942	31,333
Credit Cards	(10,622)	(3,137)
	<u>6,320</u>	<u>28,196</u>
9		

# Pharmacy Guild of Australia – Tasmania Branch

## Notes to the Financial Statements

For the Year Ended 30 June 2007

### 3 Trade and Other Receivables

	Note	2007 \$	2006 \$
CURRENT			
Trade receivables		41,772	65,900
Subsidy Receivable		26,000	-
National Sec. Receivable		12,035	-
Gold Cross Receivable		2,966	-
Other Receivables		633	2,600
		<u>83,406</u>	<u>68,500</u>

### 4 Property Plant and Equipment

#### PLANT AND EQUIPMENT

Plant and equipment			
At cost		36,575	63,163
Less accumulated depreciation		(23,206)	(44,171)
<b>Total plant and equipment</b>		<u>13,369</u>	<u>18,992</u>
Motor vehicles			
At cost		59,305	32,426
Less accumulated depreciation		(8,825)	(10,239)
<b>Total motor vehicles</b>		<u>50,480</u>	<u>22,187</u>
<b>Total plant and equipment</b>		<u>63,849</u>	<u>41,179</u>



# Pharmacy Guild of Australia – Tasmania Branch

## Notes to the Financial Statements

For the Year Ended 30 June 2007

### (a) Movements in Carrying Amounts

	Plant and Equipment	Motor Vehicles	Total
	\$	\$	\$
<b>Current Year</b>			
Balance at the beginning of year	18,992	22,187	41,179
Additions	1,940	59,305	61,245
Disposals	(480)	(20,272)	(20,752)
Depreciation	(7,083)	(10,740)	(17,823)
Carrying amount at the end of year	<u>13,369</u>	<u>50,480</u>	<u>63,849</u>
<b>Prior Year</b>			
Balance at the beginning of year	12,915	28,628	41,543
Additions	12,627	-	12,627
Disposals	-	-	-
Depreciation	(6,550)	(6,441)	(12,991)
Carrying amount at the end of year	<u>18,992</u>	<u>22,187</u>	<u>41,179</u>

### 5 Other Assets

	2007	2006
	\$	\$
CURRENT		
Prepayments	7,545	-
	<u>7,545</u>	<u>-</u>

### 6 Trade and Other Payables

	2007	2005
	\$	\$
CURRENT		
Trade payables	27,059	21,138
Credit Cards	9,559	3,137
Creditors Clearing Account	1,063	-
Accrued expenses	1,074	(103)
Unexpended grants	4,963	-
Other deferred income	28,117	-
Current tax payable	790	5,576
Finance lease obligations	60,039	23,908
Super Payable	-	2,592
	<u>132,664</u>	<u>56,248</u>

# Pharmacy Guild of Australia – Tasmania Branch

## Notes to the Financial Statements

For the Year Ended 30 June 2007

### 7 Provisions

	2007	2005
<b>Provisions for employee benefits</b>	\$	\$
Current - annual leave provision	26,578	12,201
Non-current - long service leave provision	13,317	-
	<u>39,895</u>	<u>12,201</u>

### 8 Equity

#### (a) Reserves

Future Legal Disputes Reserve	5,501	5,501
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#### (b) Retained Profits

Retained profits 1 July	67,650	80,801
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Net profit attributable to members	(72,507)	(13,151)
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Retained profits 30 June	<u>(4,857)</u>	<u>67,650</u>
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<b>Equity</b>	<u>644</u>	<u>73,151</u>
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### 9 Cash Flow Information

#### (a) Reconciliation of cash

Cash at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the statement of financial position as follows:

Cash at Bank	<u>6,320</u>	<u>28,196</u>
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#### (b) Reconciliation of cash flow from operations with profit from ordinary activities after income tax

Profit/(Loss) from ordinary activities after income tax	<u>(72,508)</u>	<u>(13,151)</u>
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#### Non-cash flows in profit from ordinary activities

Depreciation	17,823	12,991
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(Profit)/Loss on Sale of Assets	2,570	-
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Decrease/(Increase) in Receivables	(14,906)	32,825
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Decrease/(Increase) in Inventory	(873)	-
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Increase/(Decrease) in Deferred Income	33,080	-
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(Increase)/Decrease in Prepayments	(7,545)	-
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(Decrease)/Increase in Payables	(3,528)	(128,280)
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Increase/(Decrease) in Provisions	27,694	(22,189)
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Increase/(Decrease) in Accumulated Funds	-	12,270
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Cash flows from operations	<u>(18,192)</u>	<u>(94,995)</u>
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# Pharmacy Guild of Australia – Tasmania Branch

## Notes to the Financial Statements

For the Year Ended 30 June 2007

### 10 Financial Instruments

#### (a) Financial Risk Management

Pharmacy Guild of Australia - Tasmania's financial instruments consist mainly of deposits with banks, accounts receivable and accounts payable.

The main purpose for non-derivative financial instruments is to raise finance for group operations.

Pharmacy Guild of Australia - Tasmania Branch does not have any derivative financial instruments at 30 June 2007.

#### (i) Treasury Risk Management

The committee of management meet on a regular basis to analyse interest rate exposure and to evaluate management strategies in the context of the most recent economic conditions and forecasts.

#### (ii) Financial Risks

The main risks the Branch is exposed to through it's financial instruments are interest rate risk, liquidity risk, and credit risk.

#### Interest Rate Risk

The Branch does not have any material interest rate risk. Any risk arising is managed through floating rate investments. For further details on interest rate risk refer to Note 10(b).

#### Foreign currency risk

The Branch is not exposed to fluctuations in foreign currencies.

#### Liquidity risk

The Branch manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

#### 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 impairment of those assets, 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 receivable or group of receivables under financial instruments entered into by the Branch. For further details on credit risk refer to Note 10(b).

#### Price risk

Pharmacy Guild of Australia - Tasmania Branch is not exposed to any material commodity price risk.

# Pharmacy Guild of Australia – Tasmania Branch

## Notes to the Financial Statements

For the Year Ended 30 June 2007

### 10 Financial Instruments - Continued

#### (b) Interest Rate Risk

The Branch's exposure to interest rate risk, which is the risk that a financial instruments value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

	Weighted Average Effective Interest Rate		Fixed Interest Rate Maturing Within 1 Year		Floating Interest Rate		Non Interest Bearing	
	2007	2006	2007	2006	2007	2006	2007	2006
	%	%	\$	\$	\$	\$	\$	\$
Financial Assets:								
Cash	-	-	-	-	6,320	28,196	-	-
Receivables	-	-	-	-	83,406	68,500	-	-
Total Financial Assets			-	-	89,726	96,696	-	-
Financial Liabilities:								
Trade and sundry creditors	-	-	-	-	-	-	133,820	65,312
Total Financial Liabilities			-	-	-	-	133,820	65,312

	Total	
	2007	2006
	\$	\$
Financial Assets:		
Cash	6,320	28,196
Receivables	83,406	68,500
Investments	-	-
Total Financial Assets	89,726	69,696
Financial Liabilities:		
Trade and sundry creditors	133,820	63,512
Total Financial Liabilities	133,820	63,512

# Pharmacy Guild of Australia – Tasmania Branch

## Notes to the Financial Statements

For the Year Ended 30 June 2007

### 11 Going concern

#### (a) Going concern dependent on obtaining profitable operations

These financial statements have been prepared on a going concern basis which contemplates the realisation of assets and the payment of liabilities in the ordinary course of business. Should the Branch be unable to continue as a going concern, it may be unable to realise the carrying value of its assets and to meet its liabilities as they become due.

The Branch's ability to continue as a going concern is dependent upon its ability to attain profitable operations and generate funds there from, to continue to obtain support from the National Body sufficient to meet current and future obligations.

### 12 Capital and Leasing Commitments

There are no capital or leasing commitments as at 30 June 2007. The motor vehicle was acquired under an Asset Purchase Agreement.

### 13 Contingent Liabilities and Contingent Assets

There are no contingent assets or contingent liabilities as at 30 June 2007.

# Pharmacy Guild of Australia – Tasmania Branch

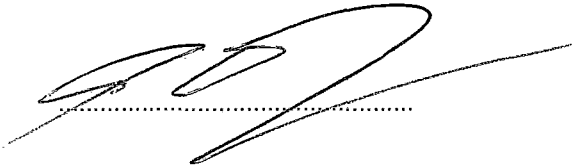
## Committee of Management Statement

For the Year Ended 30 June 2007

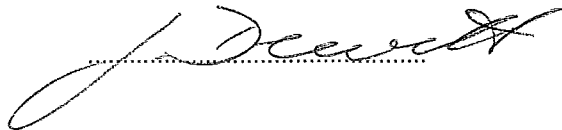
On the        day of                      2007, the Committee of Management of the Pharmacy Guild of Australia – Tasmania Branch passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30 June 2007:

The Committee of Management declares in relation to the GPFR that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the Industrial Registrar;
- (c) the financial statements and notes presents fairly, in all material respects of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the GPFR relates and since the end of that year:
  - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
  - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
  - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
  - (iv) the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation.
  - (iv) the information sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the member or Registrar; and
  - (v) there has been compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.



PRESIDENT



VICE-PRESIDENT

Dated this    day of                      2008.

# Pharmacy Guild of Australia – Tasmania Branch

## Operating Statement

For the Year Ended 30 June 2007

I, John Dowling, being the designated officer responsible for preparing this report for the financial year ended 30 June 2007 of The Pharmacy Guild of Australia – Tasmanian Branch, report as follows:

### (a) Principal Activities:

- (i) The Pharmacy Guild of Australia ("the Guild"), is an employers' organisation servicing the needs of proprietors of independent community pharmacies and to represent their interests in industrial matters.
- (ii) The Guild functions as a single entity and acts under its Constitution and Rules and reports under the Workplace Relations (Registration and Accountability of Organisations) Legislation 2003.
- (iii) The development of Guild policy is the responsibility of the Guild's supreme governing body, the National Council, on which all State and Territory Branches are represented.
- (iv) The implementation of this policy is overseen by the National Executive through the National Secretariat.
- (v) Within the framework of National Guild policy, development and implementation of the activities and operations of the Tasmanian Branch is set by the members of the Tasmanian Branch Committee.
- (vi) These activities are referred to the various Tasmanian Branch Divisions who deliver the activities and services that address the various objectives and targets set for them.
- (vii) Included in the Annual report is the President's report outlining the activities for the year. There have been significant changes in the volume and nature of the Branch's activities during the year, which are reviewed below.

### (b) Significant changes:

- (i) The Tasmanian Branch conducted a number of government-funded projects during the year. The Branch continued employment of out posted Health Connect Officer, Anne Sheehan. The Medication Management Review Facilitator Service, funded by the Commonwealth Department of Health and Aged Care, continued in support of the outcomes and objectives of the Home Medicines Review (HMR) Program. The Branch Pharmacy Liaison Officer worked further on the Tasmanian implementation of Home Medicine Reviews with the membership and Divisional HMR Facilitators. The Branch Needle & Syringe Program (formerly the Needle Availability Program) Project Manager continued supporting members who are involved in this provision. A Quality Management Assurance System (QMAS) Project funded by the Alcohol Education & Rehabilitation Foundation commenced in January 2007. This twelve-month Project will see the Tasmanian Branch of the Guild implementing policies and procedures with the aim of becoming Quality Accredited. The Tasmanian Branch also took over the Quality Care Pharmacy Program in April 2007, which was previously run by the National Office. This Program promotes Quality Accreditation to Community Pharmacies.
- (ii) The Tasmanian Branch liaised extensively with the Government during the period to establish agreement with regard to a number of community pharmacy incentives and practices, and particularly concerning PBS Reform.

### (c) Members advice:

- (i) Under Section 174 of the Registration and Accountability of Organisations schedule (RAO), a member may resign from membership by written notice addressed and delivered to the Branch Director; and
- (ii) The register of members of the organisation was maintained in accordance with the RAO.

### (d) Prescribed and other Information:

- (i) As at 30 June 2007 to which this report relates the number of members of the organisation was 135 including Nominal, Associate and Honorary Life Members.
- (ii) As at 30 June 2007 the total number of employees employed by the reporting entity was 6.
- (iii) During the reporting period the following persons were members of the Management Committee:  
John Dowling - Tasmanian Branch President  
Julianne Drewitt - Tasmanian Branch Vice President – Finance  
Judy Liauw – Tasmanian Branch Vice President  
Helene O'Byrne – Tasmanian Branch Vice President



John Dowling  
July 2008

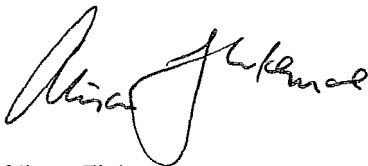
## Pharmacy Guild of Australia – Tasmania Branch

### Auditors Independence Declaration

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2007 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Australian Professional Ethical Standards in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

WHK Denison



Alison Flakemore

**Audit Partner**

Dated this 25<sup>th</sup> day of July 2008.



## Pharmacy Guild of Australia – Tasmania Branch

### Independent Audit Report

#### Report on the Financial Report

We have audited the accompanying financial report of Pharmacy Guild of Australia – Tasmania Branch, which comprises the balance sheet as at 30 June 2007, and the income statement, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies, other explanatory notes and the committee statement.

#### The Committee's Responsibility for the Financial Report

The committee of the association are responsible for the preparation and fair presentation of the financial report in accordance with the Australian Accounting Standards and Workplace Relations Act 1996. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the association's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the association's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee, as well as evaluating the overall presentation of the financial report.

The financial report has been prepared for distribution to members for the purpose of fulfilling the association's financial reporting under the entities constitution and the Workplace Relations Act 1996. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Accountants & Auditors*

## Pharmacy Guild of Australia – Tasmania Branch

### Independent Audit Report

#### Independence

In conducting our review, we have complied with the independence requirements of Australian professional ethical pronouncements.

#### Qualification

We have not audited, and do not express an opinion on the prior year comparatives. As noted in Note 1(m) a number of prior year adjustments have been made via the income statement in 2007.

#### Qualified Audit Opinion

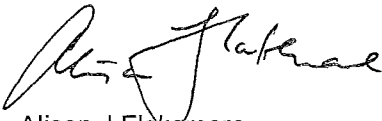
In our opinion, except for the effects of the above mentioned qualification, if any, the financial report of Pharmacy Guild of Australia – Tasmania Branch presents fairly, in all material respects, in accordance with the applicable Accounting Standards and the requirements imposed by Part 3 of the Chapter 8 of RAO Schedule of the Workplace Relations Act 1996, the financial position of the Pharmacy Guild of Australia - Tasmania as at 30 June 2007, and the results of its operations and its cash flows for the year then ended.

#### Emphasis of Matter

Without qualification to the opinion expressed above, attention is drawn to the following matter.

As indicated in Note 11, there is significant uncertainty whether the entity will be able to continue as a going concern without continued National Body assistance, and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business.

#### WHK Denison



Alison J Flakemore  
Audit Partner

Registered Company Auditor No. 241220  
Institute of Chartered Accountants Australia Member No. 96387

Dated this 5<sup>th</sup> day of August 2008.

Accountants & Auditors

#### WHK Denison Audit Partnership

Level 1, 142-146 Elizabeth Street Hobart Tasmania 7000

GPO Box 392 Hobart Tasmania 7001

Telephone 03 6210 2525 Facsimile 03 6210 2524

Email admin@whkdenison.com.au Web www.whkdenison.com.au

WHK Denison Audit Partnership ABN 23 701 982 945



**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](mailto:kevin.donnellan@air.gov.au)

Mr John Dowling  
President  
The Pharmacy Guild of Australia  
Tasmanian Branch

email: [tas.admin@guild.org.au](mailto: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

# **Pharmacy Guild of Australia – Tasmania Branch**

**Financial Statements**

**For the Year Ended 30 June 2007**

# Pharmacy Guild of Australia – Tasmania Branch

For the Year Ended 30 June 2007

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# Pharmacy Guild of Australia – Tasmania Branch

## Income Statement

For the Year Ended 30 June 2007

	2007	2006
	\$	\$
<b>Income</b>		
Commissions	112,225	105,425
Interest income	6,747	7,816
Employee Contributions - MV	9,398	-
Grants	111,669	42,206
Administration Recovered	3,136	8,000
Other income	238,224	262,441
<b>Total income</b>	<b>481,399</b>	<b>425,888</b>
<b>Less: Expenses</b>		
Accounting fees	2,190	1,243
Annual Leave	6,234	-
Advertising	-	443
Auditors remuneration	1,000	1,364
Bad debts	26,503	-
Bank charges	2,713	2,467
Cleaning	773	1,760
Affiliations & Donations	6,585	8,952
Computer expenses	4,118	2,012
Committee Meeting Expenses	3,278	3,774
Committee Members	4,358	3,795
Pharmacy Conference Expense	5,321	1,075
Depreciation	6,522	6,550
Electricity and water	442	884
Fringe Benefits Tax	-	632
Functions	413	585
Gifts - Award Presentations	1,815	718
Health Connect over expended grant	4,554	-
Insurance	9,246	15,379
Interest	122	-
Lease rentals on operating lease	5,680	7,550
Loss on Disposal of Asset	435	-
Long Service Leave	4,945	-
Meeting & Dinners	5,350	7,256
Motor vehicle expenses	19,117	14,218
National Council Dues	144,942	138,298
Payroll Tax	10,680	14,023
Office Expenses	1,519	987
Parking	2,291	618
Postage	637	1,160
Printing and stationery	2,831	3,167
President's Expenses	18,402	22,796
Prior Period Adjustment	1(m) 8,860	-
Recruitment Expenses	700	-

# Pharmacy Guild of Australia – Tasmania Branch

## Income Statement

For the Year Ended 30 June 2007

	2007	2006
Note	\$	\$
Reimbursements	-	3,520
Repairs and maintenance	205	584
Salaries	199,703	142,409
Security costs	214	504
Seminars	-	1,393
Staff training	672	181
Subscriptions	1,542	419
Sundry expenses	223	897
Superannuation contributions	23,056	21,567
Telephone and fax	11,327	6,777
Travel – domestic	4,389	5,020
Women's Congress	-	10,361
AGFEST	-	809
HMR Net Income	-	10,563
NAP Net Income	-	(11,521)
PLO Net Income	-	(3,338)
PGL/HMR Conference	-	(4,595)
HealthConnect	-	(5,233)
AERF QMAS Net Income	-	(5,000)
AER Net Income	-	2,017
<b>Total Expenses</b>	<b><u>(553,907)</u></b>	<b><u>(439,039)</u></b>
<b>Operating Profit/(Loss)</b>	<b>8 <u>(72,508)</u></b>	<b><u>(13,151)</u></b>

This statement should be read in conjunction with the accompanying notes

# Pharmacy Guild of Australia – Tasmania Branch

## Balance Sheet

For the Year Ended 30 June 2007

	Note	2007 \$	2006 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	2	16,942	31,333
Trade and other receivables	3	83,406	68,500
Inventories		1,461	588
Other current assets	5	7,545	-
<b>Total current assets</b>		<b>109,354</b>	<b>100,421</b>
<b>Non-current assets</b>			
Property, plant and equipment	4	63,849	41,179
<b>Total non-current assets</b>		<b>63,849</b>	<b>41,179</b>
<b>TOTAL ASSETS</b>		<b>173,203</b>	<b>141,600</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	6	132,664	56,248
Short-term provisions	7	26,578	12,201
<b>Total current liabilities</b>		<b>159,242</b>	<b>68,449</b>
<b>Non-current liabilities</b>			
Other long-term provisions	7	13,317	-
<b>Total non-current liabilities</b>		<b>13,317</b>	-
<b>TOTAL LIABILITIES</b>		<b>172,559</b>	<b>68,449</b>
<b>NET ASSETS</b>		<b>644</b>	<b>73,151</b>
<b>EQUITY</b>			
Reserves	8(a)	5,501	5,501
Retained earnings	8(b)	(4,857)	67,650
<b>TOTAL EQUITY</b>		<b>644</b>	<b>73,151</b>

This statement should be read in conjunction with the accompanying notes



# Pharmacy Guild of Australia – Tasmania Branch

## Statement of Changes in Equity

For the Year Ended 30 June 2007

	Notes	2007 \$	2006 \$
Balance as at 1 July	8	73,151	86,302
Surplus/(Deficit) For the Year		(72,507)	(13,151)
Transfers to and from reserves		-	-
<b>Balance as at 30 June</b>		<b>644</b>	<b>73,151</b>

This statement should be read in conjunction with the accompanying notes

# Pharmacy Guild of Australia – Tasmania Branch

## Cash Flow Statement

For the Year Ended 30 June 2007

	Notes	2007 \$	2006 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Income from members and grants		783,440	780,873
Interest Received		6,747	7,816
Payments to Suppliers & Employees		(808,257)	(883,684)
Interest Paid		(122)	-
Net cash increase from operating activities	9(b)	<u>(18,192)</u>	<u>(94,995)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from the Sale of Property, Plant & Equipment		18,182	-
Payment for Property, Plant & Equipment		(61,245)	(12,627)
Net cash used in operating activities		<u>(43,063)</u>	<u>(12,627)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Funds from financing arrangements		39,380	-
Net cash used in operating activities		<u>39,380</u>	-
<b>Net increase/(decrease) in cash held</b>		<b>(21,875)</b>	<b>(107,622)</b>
<b>Cash at Beginning of Financial Period</b>		<b>28,195</b>	<b>135,517</b>
<b>Cash at end of Financial Period</b>	9(a)	<u><b>6,320</b></u>	<u><b>28,195</b></u>

# Pharmacy Guild of Australia – Tasmania Branch

## Notes to the Financial Statements

For the Year Ended 30 June 2007

### 1 Statement of Significant Accounting Policies

#### (a) General information

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Workplace Relations Act 1996.

The financial report covers Pharmacy Guild of Australia - Tasmania Branch as an individual entity. Pharmacy Guild of Australia - Tasmania Branch is an incorporated association under the Workplace Relations Act 1996.

The financial report of Pharmacy Guild of Australia - Tasmania Branch as an individual entity complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

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

#### (b) Basis of Preparation

##### Reporting Basis and Conventions - reporting entity

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

#### (c) Comparative Figures

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

#### (d) Property, Plant and Equipment

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

##### Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

##### Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight-line basis and diminishing value basis over their useful lives to the Branch commencing from the time the asset is held ready for use.

# Pharmacy Guild of Australia – Tasmania Branch

## Notes to the Financial Statements

For the Year Ended 30 June 2007

### 1 Statement of Significant Accounting Policies (continued)

#### (d) Property, Plant and Equipment (continued)

The depreciation rates used for each class of depreciable assets range between 20%-27% Diminishing Value and 17%-33% Straight Line

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

#### (e) Inventories

Inventories are measured at cost.

#### (f) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

#### (g) Employee Benefits

Provision is made for the Branch's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at present value of the estimated future cash outflows to be made for those benefits.

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

#### (h) Provisions

Provisions are recognised when the Branch has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

#### (i) Income Tax

No provision for income taxes has been raised as the Association is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

#### (j) Revenue

Subscription income is recognised in the period to which the subscriptions relate.

Interest revenue is recognised over the period for which the funds were invested.

Revenue from the rendering of services is recognised upon the delivery of the service to the customers.

# Pharmacy Guild of Australia – Tasmania Branch

## Notes to the Financial Statements

For the Year Ended 30 June 2007

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

### (k) Goods and Services Tax (GST)

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

### (l) Notes to be provided to members or registrar

(a) 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.

(b) 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.

(c) A reporting unit must comply with an application made under s 272(1) (2) and (3) of the RAO Schedule.

### (m) Prior Year Adjustment

During the course of 2007, a number of anomalies requiring prior year adjustments were identified. Such adjustments were made via the prior year adjustment expense account.

## 2 Cash and Cash Equivalents

	2007	2006
Note	\$	\$
NAB Cheque Account	10,710	24,334
Women's Congress Account	6,107	6,939
Cash on Hand	125	60
	<u>16,942</u>	<u>31,333</u>

### Reconciliation of Cash

Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:

Cash and cash equivalents	16,942	31,333
Credit Cards	<u>(10,622)</u>	<u>(3,137)</u>
	9	
	<u>6,320</u>	<u>28,196</u>

# Pharmacy Guild of Australia – Tasmania Branch

## Notes to the Financial Statements

For the Year Ended 30 June 2007

### 3 Trade and Other Receivables

	Note	2007 \$	2006 \$
CURRENT			
Trade receivables		41,772	65,900
Subsidy Receivable		26,000	-
National Sec. Receivable		12,035	-
Gold Cross Receivable		2,966	-
Other Receivables		633	2,600
		<b>83,406</b>	<b>68,500</b>

### 4 Property Plant and Equipment

#### PLANT AND EQUIPMENT

Plant and equipment			
At cost		36,575	63,163
Less accumulated depreciation		(23,206)	(44,171)
Total plant and equipment		<b>13,369</b>	<b>18,992</b>
Motor vehicles			
At cost		59,305	32,426
Less accumulated depreciation		(8,825)	(10,239)
Total motor vehicles		<b>50,480</b>	<b>22,187</b>
<b>Total plant and equipment</b>		<b>63,849</b>	<b>41,179</b>

# Pharmacy Guild of Australia – Tasmania Branch

## Notes to the Financial Statements

For the Year Ended 30 June 2007

### (a) Movements in Carrying Amounts

	Plant and Equipment \$	Motor Vehicles \$	Total \$
<b>Current Year</b>			
Balance at the beginning of year	18,992	22,187	41,179
Additions	1,940	59,305	61,245
Disposals	(480)	(20,272)	(20,752)
Depreciation	(7,083)	(10,740)	(17,823)
Carrying amount at the end of year	13,369	50,480	63,849
<b>Prior Year</b>			
Balance at the beginning of year	12,915	28,628	41,543
Additions	12,627	-	12,627
Disposals	-	-	-
Depreciation	(6,550)	(6,441)	(12,991)
Carrying amount at the end of year	18,992	22,187	41,179

### 5 Other Assets

	2007 \$	2006 \$
CURRENT		
Prepayments	7,545	-
	7,545	-

### 6 Trade and Other Payables

	2007 \$	2005 \$
CURRENT		
Trade payables	27,059	21,138
Credit Cards	9,559	3,137
Creditors Clearing Account	1,063	-
Accrued expenses	1,074	(103)
Unexpended grants	4,963	-
Other deferred income	28,117	-
Current tax payable	790	5,576
Finance lease obligations	60,039	23,908
Super Payable	-	2,592
	132,664	56,248

# Pharmacy Guild of Australia – Tasmania Branch

## Notes to the Financial Statements

For the Year Ended 30 June 2007

### 7 Provisions

	2007	2005
<b>Provisions for employee benefits</b>	<b>\$</b>	<b>\$</b>
Current - annual leave provision	26,578	12,201
Non-current - long service leave provision	13,317	-
	<u>39,895</u>	<u>12,201</u>

### 8 Equity

#### (a) Reserves

Future Legal Disputes Reserve	5,501	5,501
-------------------------------	-------	-------

#### (b) Retained Profits

Retained profits 1 July	67,650	80,801
-------------------------	--------	--------

Net profit attributable to members	(72,507)	(13,151)
------------------------------------	----------	----------

Retained profits 30 June	<u>(4,857)</u>	<u>67,650</u>
--------------------------	----------------	---------------

<b>Equity</b>	<u>644</u>	<u>73,151</u>
---------------	------------	---------------

### 9 Cash Flow Information

#### (a) Reconciliation of cash

Cash at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the statement of financial position as follows:

Cash at Bank	<u>6,320</u>	<u>28,196</u>
--------------	--------------	---------------

#### (b) Reconciliation of cash flow from operations with profit from ordinary activities after income tax

Profit/(Loss) from ordinary activities after income tax	<u>(72,508)</u>	<u>(13,151)</u>
---	-----------------	-----------------

#### Non-cash flows in profit from ordinary activities

Depreciation	17,823	12,991
--------------	--------	--------

(Profit)/Loss on Sale of Assets	2,570	-
---------------------------------	-------	---

Decrease/(Increase) in Receivables	(14,906)	32,825
------------------------------------	----------	--------

Decrease/(Increase) in Inventory	(873)	-
----------------------------------	-------	---

Increase/(Decrease) in Deferred Income	33,080	-
--	--------	---

(Increase)/Decrease in Prepayments	(7,545)	
------------------------------------	---------	--

(Decrease)/Increase in Payables	(3,528)	(128,280)
---------------------------------	---------	-----------

Increase/(Decrease) in Provisions	27,694	(22,189)
-----------------------------------	--------	----------

Increase/(Decrease) in Accumulated Funds	-	12,270
--	---	--------

Cash flows from operations	<u>(18,192)</u>	<u>(94,995)</u>
----------------------------	-----------------	-----------------



# Pharmacy Guild of Australia – Tasmania Branch

## Notes to the Financial Statements

For the Year Ended 30 June 2007

### 10 Financial Instruments

#### (a) Financial Risk Management

Pharmacy Guild of Australia - Tasmania's financial instruments consist mainly of deposits with banks, accounts receivable and accounts payable.

The main purpose for non-derivative financial instruments is to raise finance for group operations.

Pharmacy Guild of Australia - Tasmania Branch does not have any derivative financial instruments at 30 June 2007.

#### (i) Treasury Risk Management

The committee of management meet on a regular basis to analyse interest rate exposure and to evaluate management strategies in the context of the most recent economic conditions and forecasts.

#### (ii) Financial Risks

The main risks the Branch is exposed to through its financial instruments are interest rate risk, liquidity risk, and credit risk.

#### Interest Rate Risk

The Branch does not have any material interest rate risk. Any risk arising is managed through floating rate investments. For further details on interest rate risk refer to Note 10(b).

#### Foreign currency risk

The Branch is not exposed to fluctuations in foreign currencies.

#### Liquidity risk

The Branch manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

#### 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 impairment of those assets, 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 receivable or group of receivables under financial instruments entered into by the Branch. For further details on credit risk refer to Note 10(b).

#### Price risk

Pharmacy Guild of Australia - Tasmania Branch is not exposed to any material commodity price risk.

# Pharmacy Guild of Australia – Tasmania Branch

## Notes to the Financial Statements

For the Year Ended 30 June 2007

### 10 Financial Instruments - Continued

#### (b) Interest Rate Risk

The Branch's exposure to interest rate risk, which is the risk that a financial instruments value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

	Weighted Average Effective Interest Rate		Fixed Interest Rate Maturing Within 1 Year		Floating Interest Rate		Non Interest Bearing	
	2007	2006	2007	2006	2007	2006	2007	2006
	%	%	\$	\$	\$	\$	\$	\$
Financial Assets:								
Cash	-	-	-	-	6,320	28,196	-	-
Receivables	-	-	-	-	83,406	68,500	-	-
Total Financial Assets			<u>-</u>	<u>-</u>	<u>89,726</u>	<u>96,696</u>	<u>-</u>	<u>-</u>
Financial Liabilities:								
Trade and sundry creditors	-	-	-	-	-	-	133,820	65,312
Total Financial Liabilities			<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>133,820</u>	<u>65,312</u>

	Total	
	2007	2006
	\$	\$
Financial Assets:		
Cash	6,320	28,196
Receivables	83,406	68,500
Investments	-	-
Total Financial Assets	<u>89,726</u>	<u>69,696</u>
Financial Liabilities:		
Trade and sundry creditors	<u>133,820</u>	<u>63,512</u>
Total Financial Liabilities	<u>133,820</u>	<u>63,512</u>

# Pharmacy Guild of Australia – Tasmania Branch

## Notes to the Financial Statements

For the Year Ended 30 June 2007

### 11 Going concern

#### (a) Going concern dependent on obtaining profitable operations

These financial statements have been prepared on a going concern basis which contemplates the realisation of assets and the payment of liabilities in the ordinary course of business. Should the Branch be unable to continue as a going concern, it may be unable to realise the carrying value of its assets and to meet its liabilities as they become due.

The Branch's ability to continue as a going concern is dependent upon its ability to attain profitable operations and generate funds there from, to continue to obtain support from the National Body sufficient to meet current and future obligations.

### 12 Capital and Leasing Commitments

There are no capital or leasing commitments as at 30 June 2007. The motor vehicle was acquired under an Asset Purchase Agreement.

### 13 Contingent Liabilities and Contingent Assets

There are no contingent assets or contingent liabilities as at 30 June 2007.

# Pharmacy Guild of Australia – Tasmania Branch

## Committee of Management Statement

For the Year Ended 30 June 2007

On the \_\_\_\_\_ day of \_\_\_\_\_ 2007, the Committee of Management of the Pharmacy Guild of Australia – Tasmania Branch passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30 June 2007:

The Committee of Management declares in relation to the GPFR that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the Industrial Registrar;
- (c) the financial statements and notes presents fairly, in all material respects, of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the GPFR relates and since the end of that year:
  - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
  - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
  - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
  - (iv) the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation.
  - (iv) the information sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the member or Registrar; and
  - (v) there has been compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.

.....

.....

**PRESIDENT**

**VICE-PRESIDENT**

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2007.

# Pharmacy Guild of Australia – Tasmania Branch

## Operating Statement

For the Year Ended 30 June 2007

I, John Dowling, being the designated officer responsible for preparing this report for the financial year ended 30 June 2007 of The Pharmacy Guild of Australia – Tasmanian Branch, report as follows:

### (a) Principal Activities:

- (i) The Pharmacy Guild of Australia (“the Guild”), is an employers’ organisation servicing the needs of proprietors of independent community pharmacies and to represent their interests in industrial matters.
- (ii) The Guild functions as a single entity and acts under its Constitution and Rules and reports under the Workplace Relations (Registration and Accountability of Organisations) Legislation 2003.
- (iii) The development of Guild policy is the responsibility of the Guild’s supreme governing body, the National Council, on which all State and Territory Branches are represented.
- (iv) The implementation of this policy is overseen by the National Executive through the National Secretariat.
- (v) Within the framework of National Guild policy, development and implementation of the activities and operations of the Tasmanian Branch is set by the members of the Tasmanian Branch Committee.
- (vi) These activities are referred to the various Tasmanian Branch Divisions who deliver the activities and services that address the various objectives and targets set for them.
- (vii) Included in the Annual report is the President’s report outlining the activities for the year. There have been significant changes in the volume and nature of the Branch’s activities during the year, which are reviewed below.

### (b) Significant changes:

- (i) The Tasmanian Branch conducted a number of government-funded projects during the year. The Branch continued employment of out posted Health Connect Officer, Anne Sheehan. The Medication Management Review Facilitator Service, funded by the Commonwealth Department of Health and Aged Care, continued in support of the outcomes and objectives of the Home Medicines Review (HMR) Program. The Branch Pharmacy Liaison Officer worked further on the Tasmanian implementation of Home Medicine Reviews with the membership and Divisional HMR Facilitators. The Branch Needle & Syringe Program (formerly the Needle Availability Program) Project Manager continued supporting members who are involved in this provision. A Quality Management Assurance System (QMAS) Project funded by the Alcohol Education & Rehabilitation Foundation commenced in January 2007. This twelve-month Project will see the Tasmanian Branch of the Guild implementing policies and procedures with the aim of becoming Quality Accredited. The Tasmanian Branch also took over the Quality Care Pharmacy Program in April 2007, which was previously run by the National Office. This Program promotes Quality Accreditation to Community Pharmacies.
- (ii) The Tasmanian Branch liaised extensively with the Government during the period to establish agreement with regard to a number of community pharmacy incentives and practices, and particularly concerning PBS Reform.

### (c) Members advice:

- (i) Under Section 174 of the Registration and Accountability of Organisations schedule (RAO), a member may resign from membership by written notice addressed and delivered to the Branch Director; and
- (ii) The register of members of the organisation was maintained in accordance with the RAO.

### (d) Prescribed and other Information:

- (i) As at 30 June 2007 to which this report relates the number of members of the organisation was 135 including Nominal, Associate and Honorary Life Members.
- (ii) As at 30 June 2007 the total number of employees employed by the reporting entity was 6.
- (iii) During the reporting period the following persons were members of the Management Committee:  
John Dowling - Tasmanian Branch President  
Julianne Drewitt - Tasmanian Branch Vice President – Finance  
Judy Liauw – Tasmanian Branch Vice President  
Helene O’Byrne – Tasmanian Branch Vice President

John Dowling  
September 2007

# Pharmacy Guild of Australia – Tasmania Branch

## Auditors Independence Declaration

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2007 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Australian Professional Ethical Standards in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

**WHK Denison**

Alison Flakemore

**Audit Partner**

Dated this     day of           2007.

# **Pharmacy Guild of Australia – Tasmania Branch**

## **Independent Audit Report**

### **Report on the Financial Report**

We have audited the accompanying financial report of Pharmacy Guild of Australia – Tasmania Branch, which comprises the balance sheet as at 30 June 2007, and the income statement, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies, other explanatory notes and the committee statement.

### **The Committee's Responsibility for the Financial Report**

The committee of the association are responsible for the preparation and fair presentation of the financial report in accordance with the Australian Accounting Standards and Workplace Relations Act 1996. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the association's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the association's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee, as well as evaluating the overall presentation of the financial report.

The financial report has been prepared for distribution to members for the purpose of fulfilling the association's financial reporting under the entities constitution and the Workplace Relations Act 1996. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

# Pharmacy Guild of Australia – Tasmania Branch

## Independent Audit Report

### Independence

In conducting our review, we have complied with the independence requirements of Australian professional ethical pronouncements.

### Qualification

We have not audited, and do not express an opinion on the prior year comparatives. As noted in Note 1(m) a number of prior year adjustments have been made via the income statement in 2007.

### Qualified Audit Opinion

In our opinion, except for the effects of the above mentioned qualification, if any, the financial report of Pharmacy Guild of Australia – Tasmania Branch presents fairly, in all material respects, in accordance with the applicable Accounting Standards and the requirements imposed by Part 3 of the Chapter 8 of Schedule 1B of the Workplace Relations Act 1996, the financial position of the Pharmacy Guild of Australia - Tasmania as at 30 June 2007, and the results of its operations and its cash flows for the year then ended.

### Emphasis of Matter

Without qualification to the opinion expressed above, attention is drawn to the following matter.

As indicated in Note 11, there is significant uncertainty whether the entity will be able to continue as a going concern without continued National Body assistance, and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business.

### WHK Denison

Alison J Flakemore  
**Audit Partner**

Registered Company Auditor No. 241220  
Institute of Chartered Accountants Australia Member No. 96387

Dated this        day of        2007.



26<sup>th</sup> February 2008

Ms Louise Sullivan  
Pharmacy Guild of Australia – Tasmanian Branch  
PO Box 949  
Sandy Bay TAS 7006

Dear Ms Sullivan

In response to our recent discussions and the fax, being a letter from the Australian Industrial Registry, I make the following comments:

*Income Statement for the year ended 30 June 2007*

The errors identified with respect to prior years were accounted in 2007, not 2006. This was in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors para 44, “when it is impracticable to determine the period-specific effects of an error on comparative information for one or more prior periods presented, the entity shall restate the opening balances of assets, liabilities and equity for the earliest period for which retrospective restatement is practicable (which may be the current period)”. As the errors may have been over several years, and it was not practicable to determine, the adjustment was made in the current period (2007).

The adjustment of the prior period comparatives were not in respect of the errors identified. Rather, the adjustment of the prior period amounts were allocation differences only to comply with the current presentation of the financial report. The overall surplus/deficit for 2006 was unchanged. The Notes to the Financial Statements indicate that comparatives were adjusted:

**(c) Comparative Figures**

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

AASB 108 Accounting Policies, Changes in Accounting Estimates para 14 enables a change in policy if the “results in the financial report providing reliable and more relevant information about the effects of transactions, other events or conditions on the entity’s financial position, financial performance or cash flows”. It was felt the reallocation to the current presentation provided a more relevant depiction of the Branch results.

### *Qualified Report*

AUS 510 – Initial Engagements – Opening Balances requires the auditor to qualify the current audit report due to the limitation on the scope of the auditor’s work if, after performing procedures the auditor is unable to obtain sufficient appropriate audit evidence concerning opening balances.

As you are aware the reason that we were appointed as auditors was because errors were discovered by Branch staff, in conjunction with consultant John Clarke, in respect of the opening balances. In the planning stages of the audit we discussed the fact that, given the issues and lack of confidence in the previous audit, we would not review or place any reliance on the prior year audited figures, as this would be costly to the Guild and was not likely to reduce our assessment of risk with the opening balances. We agreed to qualify our audit on opening balances.

We note that, whilst errors were made and adjusted in the current (2007) year in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors, it was possible there were further errors in the 2006 comparatives which were not identified. Our qualification was not simply with respect to the errors identified, but our inability to obtain sufficient appropriate evidence concerning the opening balances as a whole. If it were restricted to the error outlined in the Notes to the Financials, then an emphasis of matter would have been appropriate, but this was not the case.

### *Going Concern*

It is common for organisations to disclose Economic Dependence, and the Pharmacy Guild of Australia – Tasmania Branch has historically had a reliance on the ongoing support from the National body.

During the 2007 audit, as a result of the errors identified and the level of losses and financial position, it was apparent that the Branch was in discussions and negotiations with the National Office regarding the extent of funding to assist with improving the financial position of the Branch. It was our assessment, at the time of forming the opinion, the reliance of the Branch on the National Office was greater than in the past. Negotiations had secured enough funding to reduce the loss to a level where net assets were positive at 30 June 2007, however the net current asset position remained negative and the future was by no means secure. We thereby assessed the uncertainty as significant enough to warrant an Emphasis of Matter on the reliance of ongoing support of the National body.

ASA 570 Going Concern requires that, where it is appropriate that the going concern basis be used, but there is significant uncertainty which is adequately disclosed in the financial report, the auditor shall express an Emphasis of Matter opinion.

*Reference to Independent Education Union of Australia*

The reference to the Independent Education Union of Australia in the Qualified Audit Opinion was an error on our part and should have referred to the Pharmacy Guild of Australia – Tasmanian Branch. We are happy to re-issue the Independent Audit Report if required by either the Guild or the Industrial Registry if required.

I would be happy to discuss these matters further with either yourself or a representative of the Australian Industrial Registry if required.

Yours faithfully  
**WHK Denison**

Alison Flakemore  
**Audit Partner**



**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](mailto:kevin.donnellan@air.gov.au)

Mr John Dowling  
President  
The Pharmacy Guild of Australia  
Tasmanian Branch

email: [tas.admin@guild.org.au](mailto: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



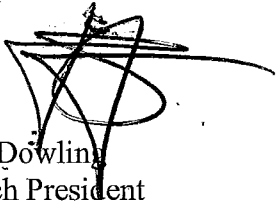
FR2007/427

**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 14th September 2007; and
- That the full report was presented to a general meeting of members of the reporting unit on 27th September 2007 in accordance with section 266 of the RAO Schedule.

  
John Dowling  
Branch President  
24 September 07



# **Pharmacy Guild of Australia – Tasmania Branch**

**Financial Statements**

**For the Year Ended 30 June 2007**

# Pharmacy Guild of Australia – Tasmania Branch

For the Year Ended 30 June 2007

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# Pharmacy Guild of Australia – Tasmania Branch

## Income Statement

For the Year Ended 30 June 2007

	2007	2006
	\$	\$
<b>Income</b>		
Commissions	112,225	105,425
Interest income	6,747	7,816
Employee Contributions - MV	9,398	-
Grants	111,669	42,206
Administration Recovered	3,136	8,000
Other income	238,224	262,441
<b>Total income</b>	<b>481,399</b>	<b>425,888</b>
<b>Less: Expenses</b>		
Accounting fees	2,190	1,243
Annual Leave	6,234	-
Advertising	-	443
Auditors remuneration	1,000	1,364
Bad debts	26,503	-
Bank charges	2,713	2,467
Cleaning	773	1,760
Affiliations & Donations	6,585	8,952
Computer expenses	4,118	2,012
Committee Meeting Expenses	3,278	3,774
Committee Members	4,358	3,795
Pharmacy Conference Expense	5,321	1,075
Depreciation	6,522	6,550
Electricity and water	442	884
Fringe Benefits Tax	-	632
Functions	413	585
Gifts - Award Presentations	1,815	718
Health Connect over expended grant	4,554	-
Insurance	9,246	15,379
Interest	122	-
Lease rentals on operating lease	5,680	7,550
Loss on Disposal of Asset	435	-
Long Service Leave	4,945	-
Meeting & Dinners	5,350	7,256
Motor vehicle expenses	19,117	14,218
National Council Dues	144,942	138,298
Payroll Tax	10,680	14,023
Office Expenses	1,519	987
Parking	2,291	618
Postage	637	1,160
Printing and stationery	2,831	3,167
President's Expenses	18,402	22,796
Prior Period Adjustment	1(m) 8,860	-
Recruitment Expenses	700	-

# Pharmacy Guild of Australia – Tasmania Branch

## Income Statement

For the Year Ended 30 June 2007

	Note	2007 \$	2006 \$
Reimbursements		-	3,520
Repairs and maintenance		205	584
Salaries		199,703	142,409
Security costs		214	504
Seminars		-	1,393
Staff training		672	181
Subscriptions		1,542	419
Sundry expenses		223	897
Superannuation contributions		23,056	21,567
Telephone and fax		11,327	6,777
Travel – domestic		4,389	5,020
Women's Congress		-	10,361
AGFEST		-	809
HMR Net Income		-	10,563
NAP Net Income		-	(11,521)
PLO Net Income		-	(3,338)
PGL/HMR Conference		-	(4,595)
HealthConnect		-	(5,233)
AERF QMAS Net Income		-	(5,000)
AER Net Income		-	2,017
<b>Total Expenses</b>		<b>(553,907)</b>	<b>(439,039)</b>
<b>Operating Profit/(Loss)</b>	8	<b>(72,508)</b>	<b>(13,151)</b>

This statement should be read in conjunction with the accompanying notes

# Pharmacy Guild of Australia – Tasmania Branch

## Balance Sheet

For the Year Ended 30 June 2007

	Note	2007 \$	2006 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	2	16,942	31,333
Trade and other receivables	3	83,406	68,500
Inventories		1,461	588
Other current assets	5	7,545	-
<b>Total current assets</b>		<b>109,354</b>	<b>100,421</b>
<b>Non-current assets</b>			
Property, plant and equipment	4	63,849	41,179
<b>Total non-current assets</b>		<b>63,849</b>	<b>41,179</b>
<b>TOTAL ASSETS</b>		<b>173,203</b>	<b>141,600</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	6	132,664	56,248
Short-term provisions	7	26,578	12,201
<b>Total current liabilities</b>		<b>159,242</b>	<b>68,449</b>
<b>Non-current liabilities</b>			
Other long-term provisions	7	13,317	-
<b>Total non-current liabilities</b>		<b>13,317</b>	-
<b>TOTAL LIABILITIES</b>		<b>172,559</b>	<b>68,449</b>
<b>NET ASSETS</b>		<b>644</b>	<b>73,151</b>
<b>EQUITY</b>			
Reserves	8(a)	5,501	5,501
Retained earnings	8(b)	(4,857)	67,650
<b>TOTAL EQUITY</b>		<b>644</b>	<b>73,151</b>

This statement should be read in conjunction with the accompanying notes

# Pharmacy Guild of Australia – Tasmania Branch

## Statement of Changes in Equity

For the Year Ended 30 June 2007

	Notes	2007 \$	2006 \$
Balance as at 1 July	8	73,151	86,302
Surplus/(Deficit) For the Year		(72,507)	(13,151)
Transfers to and from reserves		-	-
<b>Balance as at 30 June</b>		<b>644</b>	<b>73,151</b>

This statement should be read in conjunction with the accompanying notes

# Pharmacy Guild of Australia – Tasmania Branch

## Cash Flow Statement

For the Year Ended 30 June 2007

	Notes	2007 \$	2006 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Income from members and grants		783,440	780,873
Interest Received		6,747	7,816
Payments to Suppliers & Employees		(808,257)	(883,684)
Interest Paid		(122)	-
Net cash increase from operating activities	9(b)	<u>(18,192)</u>	<u>(94,995)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from the Sale of Property, Plant & Equipment		18,182	-
Payment for Property, Plant & Equipment		(61,245)	(12,627)
Net cash used in operating activities		<u>(43,063)</u>	<u>(12,627)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Funds from financing arrangements		39,380	-
Net cash used in operating activities		<u>39,380</u>	-
<b>Net increase/(decrease) in cash held</b>		<b>(21,875)</b>	<b>(107,622)</b>
<b>Cash at Beginning of Financial Period</b>		<b>28,195</b>	<b>135,517</b>
<b>Cash at end of Financial Period</b>	9(a)	<u><u>6,320</u></u>	<u><u>28,195</u></u>

# Pharmacy Guild of Australia – Tasmania Branch

## Notes to the Financial Statements

For the Year Ended 30 June 2007

### 1 Statement of Significant Accounting Policies

#### (a) General information

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Workplace Relations Act 1996.

The financial report covers Pharmacy Guild of Australia - Tasmania Branch as an individual entity. Pharmacy Guild of Australia - Tasmania Branch is an incorporated association under the Workplace Relations Act 1996.

The financial report of Pharmacy Guild of Australia - Tasmania Branch as an individual entity complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

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

#### (b) Basis of Preparation

##### Reporting Basis and Conventions - reporting entity

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

#### (c) Comparative Figures

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

#### (d) Property, Plant and Equipment

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

##### Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

##### Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight-line basis and diminishing value basis over their useful lives to the Branch commencing from the time the asset is held ready for use.

# Pharmacy Guild of Australia – Tasmania Branch

## Notes to the Financial Statements

For the Year Ended 30 June 2007

### 1 Statement of Significant Accounting Policies (continued)

#### (d) Property, Plant and Equipment (continued)

The depreciation rates used for each class of depreciable assets range between 20%-27% Diminishing Value and 17%-33% Straight Line

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

#### (e) Inventories

Inventories are measured at cost.

#### (f) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

#### (g) Employee Benefits

Provision is made for the Branch's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at present value of the estimated future cash outflows to be made for those benefits.

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

#### (h) Provisions

Provisions are recognised when the Branch has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

#### (i) Income Tax

No provision for income taxes has been raised as the Association is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

#### (j) Revenue

Subscription income is recognised in the period to which the subscriptions relate.

Interest revenue is recognised over the period for which the funds were invested.

Revenue from the rendering of services is recognised upon the delivery of the service to the customers.

# Pharmacy Guild of Australia – Tasmania Branch

## Notes to the Financial Statements

For the Year Ended 30 June 2007

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

### (k) Goods and Services Tax (GST)

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

### (l) Notes to be provided to members or registrar

(a) 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.

(b) 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.

(c) A reporting unit must comply with an application made under s 272(1) (2) and (3) of the RAO Schedule.

### (m) Prior Year Adjustment

During the course of 2007, a number of anomalies requiring prior year adjustments were identified. Such adjustments were made via the prior year adjustment expense account.

## 2 Cash and Cash Equivalents

	2007	2006
Note	\$	\$
NAB Cheque Account	10,710	24,334
Women's Congress Account	6,107	6,939
Cash on Hand	125	60
	<u>16,942</u>	<u>31,333</u>

### Reconciliation of Cash

Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:

Cash and cash equivalents	16,942	31,333
Credit Cards	(10,622)	(3,137)
	<u>6,320</u>	<u>28,196</u>
9		



# Pharmacy Guild of Australia – Tasmania Branch

## Notes to the Financial Statements

For the Year Ended 30 June 2007

### 3 Trade and Other Receivables

	Note	2007 \$	2006 \$
CURRENT			
Trade receivables		41,772	65,900
Subsidy Receivable		26,000	-
National Sec. Receivable		12,035	-
Gold Cross Receivable		2,966	-
Other Receivables		633	2,600
		<b>83,406</b>	<b>68,500</b>

### 4 Property Plant and Equipment

#### PLANT AND EQUIPMENT

Plant and equipment			
At cost		36,575	63,163
Less accumulated depreciation		(23,206)	(44,171)
Total plant and equipment		<b>13,369</b>	<b>18,992</b>
Motor vehicles			
At cost		59,305	32,426
Less accumulated depreciation		(8,825)	(10,239)
Total motor vehicles		<b>50,480</b>	<b>22,187</b>
<b>Total plant and equipment</b>		<b>63,849</b>	<b>41,179</b>

# Pharmacy Guild of Australia – Tasmania Branch

## Notes to the Financial Statements

For the Year Ended 30 June 2007

### (a) Movements in Carrying Amounts

	Plant and Equipment \$	Motor Vehicles \$	Total \$
<b>Current Year</b>			
Balance at the beginning of year	18,992	22,187	41,179
Additions	1,940	59,305	61,245
Disposals	(480)	(20,272)	(20,752)
Depreciation	(7,083)	(10,740)	(17,823)
Carrying amount at the end of year	13,369	50,480	63,849
<b>Prior Year</b>			
Balance at the beginning of year	12,915	28,628	41,543
Additions	12,627	-	12,627
Disposals	-	-	-
Depreciation	(6,550)	(6,441)	(12,991)
Carrying amount at the end of year	18,992	22,187	41,179

### 5 Other Assets

	2007 \$	2006 \$
CURRENT		
Prepayments	7,545	-
	<b>7,545</b>	-

### 6 Trade and Other Payables

	2007 \$	2005 \$
CURRENT		
Trade payables	27,059	21,138
Credit Cards	9,559	3,137
Creditors Clearing Account	1,063	-
Accrued expenses	1,074	(103)
Unexpended grants	4,963	-
Other deferred income	28,117	-
Current tax payable	790	5,576
Finance lease obligations	60,039	23,908
Super Payable	-	2,592
	<b>132,664</b>	<b>56,248</b>

# Pharmacy Guild of Australia – Tasmania Branch

## Notes to the Financial Statements

For the Year Ended 30 June 2007

### 7 Provisions

	2007	2005
<b>Provisions for employee benefits</b>	<b>\$</b>	<b>\$</b>
Current - annual leave provision	26,578	12,201
Non-current - long service leave provision	13,317	-
	<u>39,895</u>	<u>12,201</u>

### 8 Equity

#### (a) Reserves

Future Legal Disputes Reserve	5,501	5,501
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#### (b) Retained Profits

Retained profits 1 July	67,650	80,801
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Net profit attributable to members	(72,507)	(13,151)
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Retained profits 30 June	<u>(4,857)</u>	<u>67,650</u>
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<b>Equity</b>	<u>644</u>	<u>73,151</u>
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### 9 Cash Flow Information

#### (a) Reconciliation of cash

Cash at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the statement of financial position as follows:

Cash at Bank	<u>6,320</u>	<u>28,196</u>
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#### (b) Reconciliation of cash flow from operations with profit from ordinary activities after income tax

Profit/(Loss) from ordinary activities after income tax	<u>(72,508)</u>	<u>(13,151)</u>
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#### Non-cash flows in profit from ordinary activities

Depreciation	17,823	12,991
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(Profit)/Loss on Sale of Assets	2,570	-
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Decrease/(Increase) in Receivables	(14,906)	32,825
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Decrease/(Increase) in Inventory	(873)	-
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Increase/(Decrease) in Deferred Income	33,080	-
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(Increase)/Decrease in Prepayments	(7,545)	-
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(Decrease)/Increase in Payables	(3,528)	(128,280)
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Increase/(Decrease) in Provisions	27,694	(22,189)
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Increase/(Decrease) in Accumulated Funds	-	12,270
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Cash flows from operations	<u>(18,192)</u>	<u>(94,995)</u>
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# Pharmacy Guild of Australia – Tasmania Branch

## Notes to the Financial Statements

For the Year Ended 30 June 2007

### 10 Financial Instruments

#### (a) Financial Risk Management

Pharmacy Guild of Australia - Tasmania's financial instruments consist mainly of deposits with banks, accounts receivable and accounts payable.

The main purpose for non-derivative financial instruments is to raise finance for group operations.

Pharmacy Guild of Australia - Tasmania Branch does not have any derivative financial instruments at 30 June 2007.

#### (i) Treasury Risk Management

The committee of management meet on a regular basis to analyse interest rate exposure and to evaluate management strategies in the context of the most recent economic conditions and forecasts.

#### (ii) Financial Risks

The main risks the Branch is exposed to through its financial instruments are interest rate risk, liquidity risk, and credit risk.

#### Interest Rate Risk

The Branch does not have any material interest rate risk. Any risk arising is managed through floating rate investments. For further details on interest rate risk refer to Note 10(b).

#### Foreign currency risk

The Branch is not exposed to fluctuations in foreign currencies.

#### Liquidity risk

The Branch manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

#### 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 impairment of those assets, 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 receivable or group of receivables under financial instruments entered into by the Branch. For further details on credit risk refer to Note 10(b).

#### Price risk

Pharmacy Guild of Australia - Tasmania Branch is not exposed to any material commodity price risk.

# Pharmacy Guild of Australia – Tasmania Branch

## Notes to the Financial Statements

For the Year Ended 30 June 2007

### 10 Financial Instruments - Continued

#### (b) Interest Rate Risk

The Branch's exposure to interest rate risk, which is the risk that a financial instruments value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

	Weighted Average Effective Interest Rate		Fixed Interest Rate Maturing Within 1 Year		Floating Interest Rate		Non Interest Bearing	
	2007	2006	2007	2006	2007	2006	2007	2006
	%	%	\$	\$	\$	\$	\$	\$
Financial Assets:								
Cash	-	-	-	-	6,320	28,196	-	-
Receivables	-	-	-	-	83,406	68,500	-	-
Total Financial Assets			-	-	89,726	96,696	-	-
Financial Liabilities:								
Trade and sundry creditors	-	-	-	-	-	-	133,820	65,312
Total Financial Liabilities			-	-	-	-	133,820	65,312

	Total	
	2007	2006
	\$	\$
Financial Assets:		
Cash	6,320	28,196
Receivables	83,406	68,500
Investments	-	-
Total Financial Assets	89,726	96,696
Financial Liabilities:		
Trade and sundry creditors	133,820	65,312
Total Financial Liabilities	133,820	65,312

# Pharmacy Guild of Australia – Tasmania Branch

## Notes to the Financial Statements

For the Year Ended 30 June 2007

### 11 Going concern

#### (a) Going concern dependent on obtaining profitable operations

These financial statements have been prepared on a going concern basis which contemplates the realisation of assets and the payment of liabilities in the ordinary course of business. Should the Branch be unable to continue as a going concern, it may be unable to realise the carrying value of its assets and to meet its liabilities as they become due.

The Branch's ability to continue as a going concern is dependent upon its ability to attain profitable operations and generate funds there from, to continue to obtain support from the National Body sufficient to meet current and future obligations.

### 12 Capital and Leasing Commitments

There are no capital or leasing commitments as at 30 June 2007. The motor vehicle was acquired under an Asset Purchase Agreement.

### 13 Contingent Liabilities and Contingent Assets

There are no contingent assets or contingent liabilities as at 30 June 2007.

# Pharmacy Guild of Australia – Tasmania Branch

## Committee of Management Statement

For the Year Ended 30 June 2007

On the 14<sup>th</sup> day of September 2007, the Committee of Management of the Pharmacy Guild of Australia – Tasmania Branch passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30 June 2007:

The Committee of Management declares in relation to the GPFR that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the Industrial Registrar;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the GPFR relates and since the end of that year:
  - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
  - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
  - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
  - (iv) the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation.
  - (iv) the information sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the member or Registrar; and
  - (v) there has been compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.



.....

**PRESIDENT**



.....

**VICE-PRESIDENT**

Dated this 14<sup>th</sup> day of Sept. 2007.

# Pharmacy Guild of Australia – Tasmania Branch

## Operating Statement

For the Year Ended 30 June 2007

I, John Dowling, being the designated officer responsible for preparing this report for the financial year ended 30 June 2007 of The Pharmacy Guild of Australia – Tasmanian Branch, report as follows:

### (a) Principal Activities:

- (i) The Pharmacy Guild of Australia ("the Guild"), is an employers' organisation servicing the needs of proprietors of independent community pharmacies and to represent their interests in industrial matters.
- (ii) The Guild functions as a single entity and acts under its Constitution and Rules and reports under the Workplace Relations (Registration and Accountability of Organisations) Legislation 2003.
- (iii) The development of Guild policy is the responsibility of the Guild's supreme governing body, the National Council, on which all State and Territory Branches are represented.
- (iv) The implementation of this policy is overseen by the National Executive through the National Secretariat.
- (v) Within the framework of National Guild policy, development and implementation of the activities and operations of the Tasmanian Branch is set by the members of the Tasmanian Branch Committee.
- (vi) These activities are referred to the various Tasmanian Branch Divisions who deliver the activities and services that address the various objectives and targets set for them.
- (vii) Included in the Annual report is the President's report outlining the activities for the year. There have been significant changes in the volume and nature of the Branch's activities during the year, which are reviewed below.

### (b) Significant changes:

- (i) The Tasmanian Branch conducted a number of government-funded projects during the year. The Branch continued employment of out posted Health Connect Officer, Anne Sheehan. The Medication Management Review Facilitator Service, funded by the Commonwealth Department of Health and Aged Care, continued in support of the outcomes and objectives of the Home Medicines Review (HMR) Program. The Branch Pharmacy Liaison Officer worked further on the Tasmanian implementation of Home Medicine Reviews with the membership and Divisional HMR Facilitators. The Branch Needle & Syringe Program (formerly the Needle Availability Program) Project Manager continued supporting members who are involved in this provision. A Quality Management Assurance System (QMAS) Project funded by the Alcohol Education & Rehabilitation Foundation commenced in January 2007. This twelve-month Project will see the Tasmanian Branch of the Guild implementing policies and procedures with the aim of becoming Quality Accredited. The Tasmanian Branch also took over the Quality Care Pharmacy Program in April 2007, which was previously run by the National Office. This Program promotes Quality Accreditation to Community Pharmacies.
- (ii) The Tasmanian Branch liaised extensively with the Government during the period to establish agreement with regard to a number of community pharmacy incentives and practices, and particularly concerning PBS Reform.

### (c) Members advice:

- (i) Under Section 174 of the Registration and Accountability of Organisations schedule (RAO), a member may resign from membership by written notice addressed and delivered to the Branch Director; and
- (ii) The register of members of the organisation was maintained in accordance with the RAO.

### (d) Prescribed and other Information:

- (i) As at 30 June 2007 to which this report relates the number of members of the organisation was 135 including Nominal, Associate and Honorary Life Members.
- (ii) As at 30 June 2007 the total number of employees employed by the reporting entity was 6.
- (iii) During the reporting period the following persons were members of the Management Committee:  
John Dowling - Tasmanian Branch President  
Julianne Drewitt - Tasmanian Branch Vice President – Finance  
Judy Liauw – Tasmanian Branch Vice President  
Helene O'Byrne – Tasmanian Branch Vice President

John Dowling  
September 2007



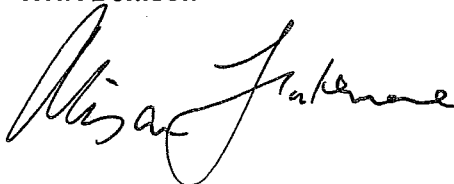
## Pharmacy Guild of Australia – Tasmania Branch

### Auditors Independence Declaration

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2007 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Australian Professional Ethical Standards in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

WHK Denison



Alison Flakemore

**Audit Partner**

Dated this 12<sup>th</sup> day of September 2007.

## Pharmacy Guild of Australia – Tasmania Branch

### Independent Audit Report

#### Report on the Financial Report

We have audited the accompanying financial report of Pharmacy Guild of Australia – Tasmania Branch, which comprises the balance sheet as at 30 June 2007, and the income statement, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies, other explanatory notes and the committee statement.

#### The Committee's Responsibility for the Financial Report

The committee of the association are responsible for the preparation and fair presentation of the financial report in accordance with the Australian Accounting Standards and Workplace Relations Act 1996. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the association's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the association's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee, as well as evaluating the overall presentation of the financial report.

The financial report has been prepared for distribution to members for the purpose of fulfilling the association's financial reporting under the entities constitution and the Workplace Relations Act 1996. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



## Pharmacy Guild of Australia – Tasmania Branch

### Independent Audit Report

#### Independence

In conducting our review, we have complied with the independence requirements of Australian professional ethical pronouncements.

#### Qualification

We have not audited, and do not express an opinion on the prior year comparatives. As noted in Note 1(m) a number of prior year adjustments have been made via the income statement in 2007.

#### Qualified Audit Opinion

In our opinion, except for the effects of the above mentioned qualification, if any, the financial report of Pharmacy Guild of Australia – Tasmania Branch presents a true and fair view in accordance with the applicable Accounting Standards and the requirements imposed by Part 3 of the Chapter 8 of Schedule 1B of the Workplace Relations Act 1996, the financial position of the Independent Education Union of Australia - Tasmania as at 30 June 2007, and the results of its operations and its cash flows for the year then ended.

#### Emphasis of Matter

Without qualification to the opinion expressed above, attention is drawn to the following matter.

As indicated in Note 11, there is significant uncertainty whether the entity will be able to continue as a going concern without continued National Body assistance, and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business.

WHK Denison

Alison J Flakemore  
Audit Partner

Registered Company Auditor No. 241220  
Institute of Chartered Accountants Australia Member No. 96387

Dated this 14<sup>th</sup> day of September 2007.

*Accountants & Auditors*

*Offices at: Hobart Launceston Devonport Burnie & Smithton*

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