



FAIR WORK
AUSTRALIA

27 October 2011

Mr John Dowling
President
The Pharmacy Guild of Australia, Tasmanian Branch

email: tas.admin@guild.org.au

Dear Mr Dowling

Re: Financial Report for The Pharmacy Guild of Australia, Tasmanian Branch for year ended 30 June 2011 – FR2011/2588

I acknowledge receipt of the financial report and designated officer's certificate for The Pharmacy Guild of Australia, Tasmanian Branch for the year ended 30 June 2011. The report and certificate were lodged with Fair Work Australia on 29 September and 7 October 2011 respectively. I also acknowledge the email received on 27 October 2011.

The financial report has now been filed.

I make the following comments to assist you when you next prepare a financial report. You are not required to take any further action in respect of the report lodged.

Cash flow disclosures

Reporting Guideline 15 states that 'where another reporting unit of the organisation is the source of cash inflow or the application of a cash outflow, such cash flow should be separately disclosed in the notes to the financial statements and show the name of the other reporting unit concerned'. This is in addition to the requirement to disclose capitation fees (reporting guideline 11(b)). In future years please ensure that cash flows to or from the national office, and if relevant any branches, are disclosed in the notes.

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

Yours sincerely

Kevin Donnellan
Tribunal Services and Organisations
Fair Work Australia
Email: kevin.donnellan@fwa.gov.au

Designated Officer's Certificate or other Authorised Officer

s268 Fair Work (Registered Organisations) Act 2009

I, Amanda Vallance being the Branch Director of The Pharmacy Guild of Australia (Tasmanian Branch) certify:

- that the documents lodged herewith are copies of the full report, referred to in s268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members on 6 September 2011; and
- that the full report was presented to a general meeting of members of the reporting unit on 27 September 2011 in accordance with section 266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature



Date:

7/10/11

The Pharmacy Guild of Australia (Tasmanian Branch)

Financial Statements

For the Year Ended 30 June 2011

The Pharmacy Guild of Australia (Tasmanian Branch)

For the Year Ended 30 June 2011

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The Pharmacy Guild of Australia (Tasmanian Branch)

Operating Report

30 June 2011

I, John Dowling, being the designated officer responsible for preparing these financial statements for the financial year ended 30 June 2011 of The Pharmacy Guild of Australia (Tasmanian Branch), report as follows:

1. General information

Committee Members

The members of the Tasmanian Branch Committee throughout the year and at the date of these statements were:

John Dowling	Tasmanian Branch President
Jeremy Hampton (Life Member)	Tasmanian Branch Senior Vice President
Julianne Drewitt	Tasmanian Branch Vice President Finance and National Councillor
Glenn Ward	Tasmanian Branch Vice President & Alternate National Councillor
Harvey Cuthill OAM (Life Member)	Tasmania Branch Committee Member & Alternate National Councillor
Martin Quinn	Tasmanian Branch Committee Member
Myles Britza	Tasmanian Branch Committee Member
Rhys Jones	Tasmanian Branch Committee Member
Susan Lee	Tasmanian Branch Committee Member - Commenced September 2010
Madeleine Bowerman	Tasmanian Branch Committee Member - Commenced July 2010 and Resigned March 2011

Members of the Branch Committee have been in office since the start of the financial year to the date of these financial statements unless otherwise stated.

As at 30 June 2011, The Pharmacy Guild of Australia (Tasmania Branch) maintains employment of 5 employees (2010: 5) on a full time basis. There are 14 employees in total.

As at 30 June 2011, The Pharmacy Guild of Australia (Tasmania Branch), has 174 members (2010: 145) across its four (4) categories, being Proprietors, Nominal, Associate and Honorary Life Members.

Members have the right to resign from The Pharmacy Guild of Australia (Tasmanian Branch) by giving 2 weeks notice of their intention to resign in writing. This right of member is in accordance with rule 36 of the Guild's rules.

No officer or member of the reporting unit holds a position as a trustee or director of a superannuation entity or exempt public superannuation fund scheme, where the criteria for holding such as position is that they are an officer or member of the reporting unit.

The Pharmacy Guild of Australia (Tasmanian Branch)

Operating Report

30 June 2011

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 *Fair Work (Registered Organisations) Act 2009*.
- 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.

Significant Changes

The following significant change in principal activities occurred during the financial year:

- The Tasmanian Branch developed and had accredited the Guild First Intern Training Program and has piloted the program successfully this year along with the New South Wales and Queensland Branches. This will be a new income source in the future.

2. Members Advice

- i) Under Section 174 of *Fair Work (Registered Organisations) Act 2009*, a member may resign from membership written notice addressed and delivered to the Branch Director; and
- ii) The register of members of the reporting unit was maintained in accordance with the *Fair Work (Registered Organisations) Act 2009*.

3. Operating Results and Review of Operations for the Year

Operating result

The surplus/(deficit) from ordinary activities for the year amounted to \$ NIL (2010: \$NIL). There have been no significant changes in the nature of ordinary activities during the 2011 financial year.

Signed in accordance with a resolution of the Members of the Branch Committee:

President.....

John Dowling

Dated this 23rd day of August 2011.

The Pharmacy Guild of Australia (Tasmanian Branch)

Statement by the Branch Committee

On the 23rd August 2011, the Branch Committee of The Pharmacy Guild of Australia (Tasmanian Branch) passed the following resolution in relation to the general purpose financial statements (GPFS) of the reporting unit for the period ended 30 June 2011.

The Branch Committee declares in relation to the GPFS that in its opinion:

1. The financial statements and notes comply with the Australian Accounting Standards;
2. The financial statements and notes comply with the reporting guidelines of the General Manager of Fair Work Australia;
3. 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;
4. 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;
5. During the financial year to which these GPFS relate and since the end of that year:
 - i) meetings of the Branch Committee were held in accordance with the rules of the organisation including the rules of the Branch concerned;
 - ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of the Branch concerned;
 - iii) the financial records of the reporting unit have been kept and maintained in accordance with *Fair Work (Registered Organisations) Act 2009* and the *Fair Work (Registered Organisations) Regulations 2009*;
 - iv) where the organisation consists of 2 or more reporting units, 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;
 - v) the information sought in any request of a member of the reporting unit or the General Manager of Fair Work Australia, duly made under section 272 of the *Fair Work (Registered Organisations) Act 2009* have been furnished to the member or General Manager of Fair Work Australia; and
 - vi) no orders have been made by Fair Work Australia under section 273 of the *Fair Work (Registered Organisations) Act 2009* during the period.
6. There was no recovery of wages activity for the financial year.

For the Branch Committee of The Pharmacy Guild of Australia (Tasmanian Branch)

President

John Dowling

Dated this 23rd day of August 2011.

The Pharmacy Guild of Australia (Tasmanian Branch)

Statement of Comprehensive Income

For the Year Ended 30 June 2011

	2011	2010
	\$	\$
Income		
Administration recovered	18,316	19,092
Commission - Rollex Fridges	285	1,060
Commissions - APP	1,117	4,338
Commissions - Chemists Own	7,991	7,470
Commissions - Gold Cross	11,149	12,617
Commissions - Guild Insurance	84,661	90,945
Grant - National Secretariat	59,548	99,432
Fees	44,094	-
Interest income	15,989	12,900
Member services trading account income	1,834	1,606
Subscription income	242,374	242,186
Nominal income	4,664	1,220
Associate income	3,607	2,033
Other income	6,414	12,436
Project income	622,969	489,089
Total income	1,125,012	996,424
Less: Expenses		
Accounting and audit fees	3,880	2,152
Affiliations & donations	430	4,723
Annual leave expense	13,042	3,914
Award presentations & gifts	1,537	650
Bank charges	1,512	1,395
Car parking expenses	4,532	3,726
Cleaning	1,275	1,101
Committee meeting expenses	1,075	2,067
Computer expenses	8,837	2,390
Corporate governance grant expense	-	5,295
Depreciation	4,981	4,475
Employee assistance program	333	333
Fair Work expenses	-	1,651
Fringe benefits tax	3,859	4,909
Functions	1,162	575
Furniture & fittings	909	-
Industrial expenses	496	612
Influenza vaccinations	420	165
Insurance	7,792	6,625
Legal fees	-	217
Long service leave	(12,055)	3,488
Meetings & dinners	4,856	3,791
Mirixa training	-	2,227

The accompanying notes form part of these financial statements.

The Pharmacy Guild of Australia (Tasmanian Branch)

Statement of Comprehensive Income

For the Year Ended 30 June 2011

	2011	2010
	\$	\$
Motor vehicle expenses	1,438	841
National council dues	148,596	142,315
Office expenses	3,282	789
Payroll tax	17,323	12,734
Pharma360 upgrade/licence	208	509
Pharmacy conference expenses	-	1,868
Portfolio expenses & committee members	476	1,921
Postage	1,241	1,198
Power & light	549	685
President's expenses	12,613	5,895
Printing and stationery	4,028	1,781
Quality management	2,585	841
Recruitment expenses	195	14,958
Rent	22,392	10,938
Repairs and maintenance	1,130	1,516
Risk management sub-committee	-	686
Security costs	210	147
Staff training	1,838	4,149
Subscriptions	1,847	1,796
Sundry expenses	(227)	174
Superannuation - employees	37,510	24,460
Superannuation - officials	9,481	12,310
Telephone and fax	2,832	1,642
Tenders connect	-	69
Travel expenses	6,922	5,119
Wages - employees	399,618	243,823
Wages - officials	126,795	157,696
Project expenditure (excluding employee costs)	268,213	264,981
Total Expenses	<u>1,119,968</u>	<u>972,322</u>
	5,044	24,102
Other comprehensive income		
Transfer to reserves - Judy Liauw Reserve	(5,044)	(24,102)
	<u>(5,044)</u>	<u>(24,102)</u>
Total Comprehensive Income	<u><u>-</u></u>	<u><u>-</u></u>

The accompanying notes form part of these financial statements.

The Pharmacy Guild of Australia (Tasmanian Branch)

Statement of Financial Position

As At 30 June 2011

	Note	2011 \$	2010 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	2	317,286	304,390
Trade and other receivables	3	114,059	143,140
Inventories		791	522
Prepayments		9,223	7,470
TOTAL CURRENT ASSETS		441,359	455,522
NON-CURRENT ASSETS			
Property, plant and equipment	4	16,477	23,545
TOTAL NON-CURRENT ASSETS		16,477	23,545
TOTAL ASSETS		457,836	479,067
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	5	22,051	28,179
Current tax payable		1,398	(6,672)
Provisions	6	26,337	13,295
Other Liabilities	7	191,421	220,625
TOTAL CURRENT LIABILITIES		241,207	255,427
NON-CURRENT LIABILITIES			
Provisions	6	8,512	20,567
TOTAL NON-CURRENT LIABILITIES		8,512	20,567
TOTAL LIABILITIES		249,719	275,994
NET ASSETS		208,117	203,073
EQUITY			
Reserves		34,647	29,603
Retained earnings		173,470	173,470
TOTAL EQUITY		208,117	203,073

The accompanying notes form part of these financial statements.

The Pharmacy Guild of Australia (Tasmanian Branch)

Statement of Changes in Equity

For the Year Ended 30 June 2011

2011

	Retained Earnings \$	Judy Liauw Reserve (a) \$	Future Legal Disputes Reserve (b) \$	Total \$
Balance at 1 July 2010	173,470	24,102	5,501	203,073
Net surplus/(deficit)	-	-	-	-
Transfers to/(from) reserves	-	5,044	-	5,044
Sub-total	-	5,044	-	5,044
Balance at 30 June 2011	173,470	29,146	5,501	208,117

2010

	Retained Earnings \$	Judy Liauw Reserve \$	Future Legal Disputes Reserve \$	Total \$
Balance at 1 July 2009	173,470	-	5,501	178,971
Net surplus/(deficit)	-	-	-	-
Transfers to/(from) reserves	-	24,102	-	24,102
Sub-total	-	24,102	-	24,102
Balance at 30 June 2010	173,470	24,102	5,501	203,073

(a) Judy Liauw Reserve

The Judy Liauw Reserve has funds set aside for future use towards Scholarships to students. The reserve account has been set up by the Branch Committee in recognition of Judy's significant contribution to Community Pharmacy, specifically Judy's Presidency at The Pharmacy Guild of Australia (Tasmanian Branch) and her passion for rural pharmacy and young women pharmacists in these areas. This Scholarship will ensure Judy's legacy and passion is continued. The administration of the Judy Liauw Reserve will be transferred to the UTas Foundation, during the 2011/2012 financial year and will be managed by the Foundation in the future.

(b) Future Legal Disputes Reserve

The reserve is maintained to cover expenses for any potential future legal disputes.

The Pharmacy Guild of Australia (Tasmanian Branch)

Statement of Cash Flows

For the Year Ended 30 June 2011

	2011	2010
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	824,695	811,538
Payments to suppliers and employees	(856,421)	(771,800)
Interest received	15,989	12,900
Net flow of GST	8,070	(2,131)
Cash inflows from other branches/offices	284,553	141,488
Cash outflows to other branches/offices	(263,511)	(220,074)
Net cash provided by (used in) operating activities	8(b) <u>13,375</u>	<u>(28,079)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	<u>(479)</u>	<u>(6,420)</u>
Net cash provided by (used in) investing activities	<u>(479)</u>	<u>(6,420)</u>
Net increase (decrease) in cash held	12,896	(34,499)
Cash and cash equivalents at beginning of financial year	<u>304,390</u>	<u>338,889</u>
Cash and cash equivalents at end of financial year	8(a) <u><u>317,286</u></u>	<u><u>304,390</u></u>

The accompanying notes form part of these financial statements.

The Pharmacy Guild of Australia (Tasmanian Branch)

Notes to the Financial Statements

For the Year Ended 30 June 2011

The financial statements cover The Pharmacy Guild of Australia (Tasmanian Branch) as an individual entity, incorporated and domiciled in Australia. The Pharmacy Guild of Australia (Tasmanian Branch) is a registered employer organisation under the *Fair Work (Registered Organisations) Act 2009*.

1 Summary of Significant Accounting Policies

(a) Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards, Australian Accounting Interpretations and the *Fair Work (Registered Organisations) Act 2009*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(b) Comparative Figures

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

(c) 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 in the statement of financial position.

(d) Property, Plant and Equipment

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

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, is depreciated on a straight-line basis over the asset's useful life commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The Pharmacy Guild of Australia (Tasmanian Branch)

Notes to the Financial Statements

For the Year Ended 30 June 2011

1 Summary of Significant Accounting Policies continued

(d) Property, Plant and Equipment continued

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

Class of Fixed Asset	
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Plant and Equipment	2 - 33%
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The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(e) Impairment of Assets

At the end of each reporting period, the reporting unit reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

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

(f) Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the reporting unit during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(g) Employee Benefits

Provision is made for the reporting unit's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at present value of the estimated future cash outflows to be made for those benefits.

(h) Critical Accounting Estimates and Judgments

The reporting unit evaluates estimates and judgments incorporated into the financial statements based on historical knowledge and the best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and from within the reporting unit.

The Pharmacy Guild of Australia (Tasmanian Branch)

Notes to the Financial Statements

For the Year Ended 30 June 2011

1 Summary of Significant Accounting Policies continued

(i) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is the equivalent to the date that the reporting unit commits itself to either the purchase or sale of the asset.

Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified 'at fair value through surplus or loss', in which case transaction costs are expensed to surplus or loss immediately.

Impairment

At each reporting date, the reporting unit assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

(j) Provisions

Provisions are recognised when the reporting unit 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.

(k) Revenue and Other Income

Donations are recognised as revenue when received.

Subscriptions income is recognised over the period to which the subscription relates.

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

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

Grant income is recognised in accordance with the grant funding deed.

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

(l) Income Tax

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

(m) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to the reporting unit are classified as finance leases.

The Pharmacy Guild of Australia (Tasmanian Branch)

Notes to the Financial Statements

For the Year Ended 30 June 2011

1 Summary of Significant Accounting Policies continued

(m) Leases continued

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the reporting unit will obtain ownership of the asset or over the term of the lease.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight line basis over the life of the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(n) 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 Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a net basis, and the net movement in GST for the period shown as a separate operating cash flow. The GST components of investing and financing activities are disclosed as operating cash flows.

(o) Adoption of New and Revised Accounting Standards

During the current year the reporting unit adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

The adoption of these standards has impacted the recognition, measurement and disclosure of certain transactions. The following is an explanation of the impact the adoption of these standards and interpretations has had on the financial statements of The Pharmacy Guild of Australia (Tasmanian Branch).

(p) New Accounting Standards for Application in Future Periods

The AASB has issued new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods. The reporting unit has decided against early adoption of these standards. A discussion of those future requirements and their impact on the reporting unit is as follows:

- AASB 9: Financial instruments and AASB 2009-11: Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12] (applicable for annual reporting periods commencing on or after 1 January 2013).

The Pharmacy Guild of Australia (Tasmanian Branch)

Notes to the Financial Statements

For the Year Ended 30 June 2011

1 Summary of Significant Accounting Policies continued

(p) New Accounting Standards for Application in Future Periods continued

These standards are applicable retrospectively and amend the classification and measurement of financial assets. The reporting unit has not yet determined the potential impact on the financial statements.

The changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- simplifying the requirements for embedded derivatives;
- removing the tainting rules associated with held-to-maturity assets;
- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in surplus or loss and there is no impairment or recycling on disposal of the instrument; and
- reclassifying financial assets where there is a change in an entity's business model as they are initially classified based on:
 - (a) the objective of the entity's business model for managing the financial assets; and
 - (b) the characteristics of the contractual cash flows.

The reporting unit does not anticipate early adoption of any of the above accounting standards.

(q) Notes to be provided to Members or the General Manager of Fair Work Australia

- i) A member of a reporting unit, or the General Manager of Fair Work Australia, 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.
- ii) 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.
- iii) A reporting unit must comply with an application made under subsection (1).

The Pharmacy Guild of Australia (Tasmanian Branch)

Notes to the Financial Statements

For the Year Ended 30 June 2011

2 Cash and Cash Equivalents

	2011	2010
	\$	\$
Cash on hand	150	150
Cash at bank	317,136	304,240
	<u>317,286</u>	<u>304,390</u>

3 Trade and Other Receivables

	2011	2010
	\$	\$
CURRENT		
Trade receivables	54,511	35,486
Accrued training income	-	4,951
National Secretariat receivable	59,548	102,703
	<u>114,059</u>	<u>143,140</u>

(a) Ageing analysis

	2011	2010
	\$	\$
Less than 30 days	73,727	119,187
31 days to 60 days	2,720	7,344
61+ days (past due not impaired)	37,612	16,609
	<u>114,059</u>	<u>143,140</u>

4 Property, Plant and Equipment

	2011	2010
	\$	\$
PLANT AND EQUIPMENT		
Plant and equipment	67,371	66,893
Accumulated depreciation	(50,894)	(43,348)
Total plant and equipment	<u>16,477</u>	<u>23,545</u>

The Pharmacy Guild of Australia (Tasmanian Branch)

Notes to the Financial Statements

For the Year Ended 30 June 2011

4 Property, Plant and Equipment continued

(a) Movements in Carrying Amounts

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

	Plant and equipment \$	Total \$
Balance at the beginning of year	23,545	23,545
Additions	478	478
Depreciation expense	(7,546)	(7,546)
Carrying amount at the end of 30 June 2011	<u>16,477</u>	<u>16,477</u>

5 Trade and Other Payables

	2011 \$	2010 \$
Trade payables	13,322	25,053
Accrued expenses	8,729	3,126
	<u>22,051</u>	<u>28,179</u>

6 Provisions

	2011 \$	2010 \$
CURRENT		
Employee benefits - employees	21,572	9,623
Employee benefits - officials	4,765	3,672
	<u>26,337</u>	<u>13,295</u>
NON-CURRENT		
Employee benefits - employees	8,512	20,567
	<u>8,512</u>	<u>20,567</u>

7 Other Financial Liabilities

	2011 \$	2010 \$
Credit cards	3,700	7,078
Intern program liability	8,057	19,357
Deferred training income	10,710	27,272
Training liability	36,366	65,788
Income in advance	113,296	76,421
Unexpended grants	19,292	24,709
	<u>191,421</u>	<u>220,625</u>

The Pharmacy Guild of Australia (Tasmanian Branch)

Notes to the Financial Statements

For the Year Ended 30 June 2011

8 Cash Flow Information

(a) Reconciliation of cash

	2011	2010
	\$	\$
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:		
Cash and cash equivalents	317,286	304,390
	<u>317,286</u>	<u>304,390</u>

(b) Reconciliation of Cash Flow from Operations with Total Comprehensive Income

	2011	2010
	\$	\$
Net surplus/(deficit)	-	-
Cash flows excluded from Comprehensive Income attributable to operating activities		
Non-cash flows in Comprehensive Income		
- Depreciation	7,546	7,535
- Transfers to/(from) reserves	5,044	24,102
Changes in assets and liabilities		
- (Increase)/decrease in trade and term receivables	29,081	(68,359)
- (Increase)/decrease in prepayments	(1,753)	(809)
- (Increase)/decrease in inventories	(269)	226
- (Increase)/decrease in income in advance	(25,826)	37,803
- Increase/(decrease) in trade payables and accruals	(9,506)	(33,847)
- Increase/(decrease) in tax liabilities	8,070	(2,131)
- Increase/(decrease) in provisions	988	7,401
	<u>13,375</u>	<u>(28,079)</u>

9 Economic Dependency

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 Tasmanian 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 Tasmanian Branch's ability to continue as a going concern is dependent upon its capacity to attain profitable operations and to continue to obtain support from The Pharmacy Guild of Australia National Secretariat sufficient to meet current and future obligations.

	2011	2010
	\$	\$
Add back - National Secretariat Funding	(59,548)	(99,432)
Adjusted Total Comprehensive Income	<u>(59,548)</u>	<u>(99,432)</u>

The Pharmacy Guild of Australia (Tasmanian Branch)

Notes to the Financial Statements

For the Year Ended 30 June 2011

10 Financial Risk Management

The reporting unit's financial instruments consist mainly of deposits with banks, accounts receivable and accounts payable.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	2011	2010
	\$	\$
Financial Assets		
Cash and cash equivalents	317,286	304,390
Loans and receivables	117,059	143,140
Total Financial Assets	<u>434,345</u>	<u>447,530</u>
Financial Liabilities		
Financial liabilities at amortised cost		
- Trade and other payables	22,051	28,179
Total Financial Liabilities	<u>22,052</u>	<u>28,179</u>

Specific Financial Risk Exposures and Management

The main risks the reporting unit is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk, foreign currency risk and commodity and equity price risk.

(a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counter parties of contract obligations that could lead to a financial loss to the reporting unit. 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 Statement of Financial Position and notes to the financial statements.

The Pharmacy Guild of Australia (Tasmanian Branch) does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the reporting unit.

(b) Liquidity risk

Liquidity risk arises from the possibility that the reporting unit might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The reporting unit manages risk through the following mechanisms:

- preparing forward looking cash flow analysis in relation to its operational, investing and financial activities;
- monitoring credit facilities;
- obtaining funding from a variety of sources; and
- maintaining a reputable credit risk profile.

The Pharmacy Guild of Australia (Tasmanian Branch)

Notes to the Financial Statements

For the Year Ended 30 June 2011

10 Financial Risk Management continued

(c) Interest rate risk

The reporting unit is not exposed to any significant interest rate risk.

(d) Foreign exchange risk

The reporting unit is not exposed to fluctuations in foreign currencies.

(e) Price Risk

The reporting unit is not exposed to any material commodity price risk.

Sensitivity Analysis

The Branch Committee has performed an assessment of its exposure to interest rate risk, liquidity risk and credit risk at balance date. The Pharmacy Guild of Australia (Tasmanian Branch) is not currently subject to any interest rate risk on its financial liabilities and has assessed that there is no exposure to liquidity risk required to meet its financial obligations. The Pharmacy Guild of Australia (Tasmanian Branch)'s exposure to credit risk has been assessed as not material, due to the nature, collectability and recoverability of amounts owed.

As a result of the risk assessment performed, any positive or negative changes in the interest rate risk, liquidity risk or credit risk would not have a material effect on the financial statements. Hence quantitative disclosures are not required.

(i) Financial instrument composition and maturity analysis

The reporting unit'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:

	Floating Interest Rate		Non-interest Bearing		Total	
	2011	2010	2011	2010	2011	2010
	\$	\$	\$	\$	\$	\$
Financial Assets:						
Cash and cash equivalents	317,286	304,390	-	-	317,286	304,390
Receivables	-	-	117,059	143,141	117,059	143,141
Total Financial Assets	317,286	304,390	117,059	143,141	434,345	447,531
Financial Liabilities:						
Trade and sundry payables	-	-	22,051	28,179	22,051	28,179
Total Financial Liabilities	-	-	22,051	28,179	22,051	28,179

The Pharmacy Guild of Australia (Tasmanian Branch)

Notes to the Financial Statements

For the Year Ended 30 June 2011

11 Interests of Key Management Personnel

The totals of remuneration paid to key management personnel of the reporting unit during the year are as follows:

	2011	2010
	\$	\$
Short-term employee benefits - officials	27,500	30,000
Short-term employee benefits - directors	108,776	140,006
	<u>136,276</u>	<u>170,006</u>

Loans

There were no loans outstanding at or during the years ended 30 June 2011 to Tasmanian Branch committee members or their related parties.

12 Auditors' Remuneration

	2011	2010
	\$	\$
Remuneration of the auditor of the reporting unit for:		
- auditing or reviewing the financial statements	5,600	5,450
- other services	-	13,958

13 Capital and Leasing Commitments

(a) Finance Lease Commitments

There are no finance lease commitments as at 30 June 2011.

(b) Operating Lease Commitments

A lease is currently in place for the lease of office premises within Knopwood House. As at 30 June 2011, aspects of this lease agreement were still under negotiation.

14 Contingent Liabilities and Contingent Assets

There are no contingent liabilities or contingent assets as at reporting date to be disclosed.

15 Events After the End of the Reporting Period

There are no events after the statement of financial position date to be disclosed.

The Pharmacy Guild of Australia (Tasmanian Branch)

Notes to the Financial Statements

For the Year Ended 30 June 2011

16 Association Details

The registered office of the organisation is:

The Pharmacy Guild of Australia (Tasmanian Branch)

2nd Floor Knopwood House

38 Montpelier Retreat

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hobart@whk.com.au
www.whk.com.au

WHK Audit
55 413 673 841

The Pharmacy Guild of Australia (Tasmanian Branch)

Auditors Independence Declaration

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2011 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Australia 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



Alison Flakemore
Audit Partner

Dated this 5th day of August 2011.

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WHK Audit
55 418 576 841

The Pharmacy Guild of Australia (Tasmanian Branch)

Independent Audit Report to the members of The Pharmacy Guild of Australia (Tasmanian Branch)

Report on the Financial Statements

We have audited the accompanying financial statements of The Pharmacy Guild of Australia (Tasmanian Branch), which comprise the statement of financial position as at 30 June 2011, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the statement by members of the Branch Committee.

Branch Committees' Responsibility for the Financial Statements

The Branch Committee of the reporting unit is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Fair Work (Registered Organisations) Act 2009*. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements 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 statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Branch Committee, as well as evaluating the overall presentation of the financial statements.

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

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The Pharmacy Guild of Australia (Tasmanian Branch)

Independent Audit Report to the members of The Pharmacy Guild of Australia (Tasmanian Branch)

Independence

In conducting our audit, we have complied with the independence requirements of Australian Professional Ethical Standards.

Auditor's Opinion

In our opinion the financial statements of The Pharmacy Guild of Australia (Tasmanian Branch) present fairly, in all material respects, is in accordance with applicable Australian Accounting Standards and the requirements imposed by the *Fair Work (Registered Organisations) Act 2009*, the financial position of The Pharmacy Guild of Australia (Tasmanian Branch) as at 30 June 2011, and of its performance and cash flows for the year then ended.



WHK



Alison Flakemore
Audit Partner

Auditor Qualifications

Bachelor of Commerce with Honours
Registered Company Auditor No. 241220
Institute of Chartered Accountants Australia No. 96387

Dated this 30th day of August 2011.