



Mr Dipak Sanghvi  
President  
The Pharmacy Guild of Australia  
Victorian Branch  
Guild House  
40 Burwood Road  
Hawthorn Vic 3122

Dear Mr Sanghvi

**Re: Financial Report for The Pharmacy Guild of Australia, Victorian Branch for year ended 30 June 2005 – FR2005/273**

I acknowledge receipt of the financial report of The Pharmacy Guild of Australia, Victorian Branch for the year ended 30 June 2005. The documents were lodged with the Registry on 26 November 2007.

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.

***Designated Officer's Certificate***

*Presentation of the full report to a General Meeting*

If the full report is to be presented to a General Meeting (which must be held within six months after the end of the financial year), the report must be provided to members 21 days before the General Meeting. Once the full report is presented to the meeting, it is to be lodged in the Australian Industrial Registry together with a Designated Officer's certificate within 14 days.

As previously indicated, 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)

Could you ensure in future that the Committee of Management Statement, the Full Report and the Auditor's Report are provided to members 21 days before the presentation to a General Meeting of those documents.

## ***Operating Report***

### *Right of members to resign*

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

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

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

As you are aware, the Notes to the GPFR 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).”*

## ***Audit Report***

### *Auditor’s Qualification*

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

*Auditor's Opinion - Legislative References*

The references to "Section 273" and "Section 276(2)" appearing in the Audit Opinion should properly refer to "Section 253 of Schedule 1" and "Section 257(5)".

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  
28 November 2007

## **Independent audit report to members of the Pharmacy Guild of Australia, Victorian Branch**

### **Scope**

#### *The financial report and Branch committee responsibility*

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows and accompanying notes to the financial statements for the Pharmacy Guild of Australia, Victorian Branch (the Branch), and the consolidated entity for the year ended 30 June, 2005. The consolidated entity comprises both the Branch and the entities it controlled during the year.

The Branch committee are responsible for preparing a financial report that presents fairly the financial position and performance of the Branch, and that complies with Accounting Standards in Australia, in accordance with the Workplace Relations Act. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

#### *Audit approach*

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

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

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

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

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

We performed procedures to assess whether the substance of business transactions was accurately reflected in the financial report. These and our other procedures did not include consideration or judgment of the appropriateness or reasonableness of the business plans or strategies adopted by the Branch committee and management of the Branch.

### **Independence**

We are independent of the Branch, and have met the independence requirements of Australian professional ethical pronouncements.

### **Audit Opinion**

In our opinion:

- (i) the organisation kept satisfactory accounting records for the financial year ended 30 June 2005 which detailed the sources and nature of the income of the organisation (including income from members), and the nature and purposes of expenditure of the organisation; and
- (ii) the accounts and statements prepared under Section 273 of the Workplace Relations Act, 1996, (The Act), in relation to the year are properly drawn up so as to give a true and fair view of:
  - (a) the financial affairs of the organisation as at 30 June 2005;
  - (b) the income and expenditure and results of the organisation for the year ended on that date; and
  - (c) the cash flows of the organisation for the year ended on that date

and are in accordance with Australian Accounting Standards and other mandatory professional reporting requirements.

All information and explanations that, under Section 276(2) of the Act, officers or employees of the organisation were required to provide were provided.



Ernst & Young



**R. Bruce Dungey**  
Partner and Registered Company Auditor

Melbourne

Date: 20 September 2005



The PHARMACY GUILD of AUSTRALIA  
VICTORIAN BRANCH

16 November 2007

Mr Robert Pfeiffer  
Statutory Services Branch  
Australian Industrial Registry  
GPO Box 1994  
MELBOURNE VIC 3001

Dear Mr Pfeiffer

Following your enquiry regarding the lodgment of our Annual Report for the year ending 30 June 2005, please find attached the Pharmacy Guild of Australia, Victoria's declaration for the year ended 30 June 2005.

The report was made available to members on the Guild website on 20 September 2005 and the Annual General Meeting was held on 27 September 2005. We were unaware that the Annual Report for 2005 was not received, but are happy to furnish the details to satisfy your requirements.

I trust that this meets the requirements under the Workplace Relations Act 1996. Should you have any questions relating to the Annual Report, please don't hesitate to contact me.

Kind regards

Maurice V Sheehan  
DIRECTOR



The PHARMACY GUILD of AUSTRALIA  
VICTORIAN BRANCH

I, DIPAK SANCHVI, President of the Victorian Branch  
of the Pharmacy Guild of Australia, certify that:

1. The auditor's report, the accounts and statements, and the certificates of the accounting officer and of the Branch Committee in respect to the financial year commencing 1 July 2004 and ending 30 June 2005 were made available to members free of charge on Tuesday 20 September 2005.
2. The enclosed documents are copies of the auditor's report, the accounts and statements, the certificates of the accounting officer and of the Branch Committee, prepared for the Branch in accordance with the Act in respect to the year ending 30 June 2005 and are as presented to the Annual General Meeting of the Pharmacy Guild of Australia, Victoria on 27 September 2005.

.....  
President  
The Pharmacy Guild of Australia, Victoria

.....  
21/11/07  
Date



# **FINANCIAL STATEMENTS**

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**STATEMENT OF FINANCIAL PERFORMANCE YEAR ENDED 30 JUNE 2005**



	CONSOLIDATED		BRANCH	
	2005	2004	2005	2004
	\$	\$	\$	\$
<b>REVENUE FROM ORDINARY ACTIVITIES</b>				
<b>Revenue from operating activities</b>				
Member Contributions and Entrance Fees	1,664,167	1,710,749	1,664,167	1,710,749
Commissions	515,837	1,944,604	504,141	523,936
Consultancy	124,852	115,357	124,852	115,357
Member Services	368,262	803,259	368,262	375,405
Other Income	282,994	89,468	282,994	89,468
Training Income	858,110	778,882	858,110	778,882
<b>Total revenues from operating activities</b>	<b>3,814,222</b>	<b>5,442,319</b>	<b>3,802,526</b>	<b>3,593,797</b>
<b>Revenue from non-operating activities</b>				
Interest	168,880	200,723	119,539	123,295
Dividend Income	8,975	11,185	8,975	11,185
Rental Income	274,571	266,719	274,571	266,719
Unit Trust Rental Income	201,125	236,612	201,125	236,612
Profit on Sale of Intangible Asset	1,681,548	–	–	–
Share of Profit PCA NU Systems Pty Ltd	233,178	–	–	–
The Guild (Victoria) Computer Unit Trust	–	–	1,234,139	43,380
Management Fees	9,000	7,500	9,000	–
<b>Total revenues from outside the operating activities</b>	<b>2,577,277</b>	<b>722,739</b>	<b>1,847,349</b>	<b>681,191</b>
<b>TOTAL REVENUE FROM ORDINARY ACTIVITIES</b>	<b>6,391,499</b>	<b>6,165,058</b>	<b>5,649,875</b>	<b>4,274,988</b>
<b>EXPENSES FROM ORDINARY ACTIVITIES</b>				
Audit and Accounting Fees	23,902	35,229	25,702	22,779
Committee Expenses	70,507	66,050	65,082	66,050
Depreciation	148,744	146,601	109,672	101,728
Director's Fees	–	47,250	–	–
Fringe Benefits Tax	46,609	43,323	45,629	33,233
Interest Expense	17,163	445,414	17,163	80,169
Legal Expenses	32,108	64,291	10,940	12,289
Management Fees	–	47,250	–	–
Meeting Expenses	35	258	35	258
Member Service	196,106	231,446	196,106	222,763
Membership Contributions to National Council	1,041,287	1,074,405	1,041,287	1,074,405
Novated Lease Costs	14,813	16,698	14,813	16,698
Payment to Branches	2,395	1,897	2,395	1,897
Provision for Accrued Annual Leave	-359	43,720	-359	41,189
Provision for Long Service Leave	59,370	30,513	59,370	23,038
Public Relations and Consultancy	193,381	211,774	193,333	154,118
Salaries and Allowances - Elected Officials	85,800	80,000	85,800	80,000
Salaries and Allowances - Staff	1,076,916	1,132,427	1,059,175	938,319
Staff Training and Training Expenses	527,523	372,521	527,523	369,561
Superannuation	250,699	260,768	250,699	232,988

	CONSOLIDATED		BRANCH	
	2005	2004	2005	2004
	\$	\$	\$	\$
Travelling Expenses	49,343	79,711	49,343	69,828
Other Administrative Expenses (Note 3)	399,062	458,554	395,678	379,397
Printing and Despatch	141,080	162,944	141,279	134,151
Rent	201,129	236,012	201,129	236,012
<b>TOTAL EXPENSES FROM ORDINARY ACTIVITIES</b>	<b><u>4,577,613</u></b>	<b><u>5,289,056</u></b>	<b><u>4,491,794</u></b>	<b><u>4,290,870</u></b>
Surplus from Operations	1,813,886	876,002	1,158,081	-15,882
Surplus/(Deficit) from Sale of Assets	-	-	-	-
Net Fighting Fund Income (Note 4)	9,496	11,156	9,496	11,156
<b>SURPLUS (DEFICIT) FROM ORDINARY ACTIVITIES BEFORE INCOME TAX EXPENSE</b>	<b><u>1,823,382</u></b>	<b><u>887,158</u></b>	<b><u>1,167,577</u></b>	<b><u>-4,726</u></b>
<b>INCOME TAX EXPENSE RELATING TO ORDINARY ACTIVITIES</b> (Note 6)	<u>-</u>	<u>-1,547,689</u>	<u>-</u>	<u>-</u>
<b>SURPLUS (DEFICIT) FROM ORDINARY ACTIVITIES AFTER INCOME TAX EXPENSE</b> (Note 5e)	<b><u>1,823,382</u></b>	<b><u>-660,531</u></b>	<b><u>1,167,577</u></b>	<b><u>-4,726</u></b>
<b>NET SURPLUS (DEFICIT) ATTRIBUTABLE TO MEMBERS OF THE PHARMACY GUILD OF AUSTRALIA, VICTORIAN BRANCH</b>	<b><u>1,823,382</u></b>	<b><u>-660,531</u></b>	<b><u>1,167,577</u></b>	<b><u>-4,726</u></b>
Notes to and forming part of the accounts are included on pages 29 to 40				

	CONSOLIDATED		BRANCH	
	2005	2004	2005	2004
	\$	\$	\$	\$
<b>CURRENT ASSETS</b>				
Cash Assets	830,846	488,389	812,840	434,417
Receivables (Note 7)	615,978	965,566	1,450,215	516,934
Other financial assets (Note 8)	1,179,830	1,666,485	271,630	492,658
Inventories (Note 9)	–	2,786	–	2,786
Other (Note 10)	341,933	582,698	341,933	432,646
<b>TOTAL CURRENT ASSETS</b>	<b>2,968,587</b>	<b>3,705,924</b>	<b>2,876,618</b>	<b>1,879,441</b>
<b>NON-CURRENT ASSETS</b>				
Other financial assets (Note 11)	6,828,904	4,532,034	5,030,140	4,707,054
Property, plant and equipment (Note 12)	353,089	419,816	330,908	355,426
<b>TOTAL NON-CURRENT ASSETS</b>	<b>7,181,993</b>	<b>4,951,850</b>	<b>5,361,048</b>	<b>5,062,480</b>
<b>TOTAL ASSETS</b>	<b>10,150,580</b>	<b>8,657,774</b>	<b>8,237,666</b>	<b>6,941,921</b>
<b>CURRENT LIABILITIES</b>				
Payables (Note 13)	1,878,158	2,479,172	1,512,933	1,703,341
Provisions (Note 14)	1,758,233	1,807,072	210,544	217,967
<b>TOTAL CURRENT LIABILITIES</b>	<b>3,636,391</b>	<b>4,286,244</b>	<b>1,723,477</b>	<b>1,921,308</b>
<b>NON-CURRENT LIABILITIES</b>				
Interest bearing Liability (Note 15)	146,463	293,193	146,463	293,193
Provisions (Note 16)	123,492	82,238	123,492	75,516
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>269,955</b>	<b>375,431</b>	<b>269,955</b>	<b>368,709</b>
<b>TOTAL LIABILITIES</b>	<b>3,906,346</b>	<b>4,661,675</b>	<b>1,993,432</b>	<b>2,290,017</b>
<b>NET ASSETS</b>	<b>6,244,234</b>	<b>3,996,099</b>	<b>6,244,234</b>	<b>4,651,904</b>
<b>EQUITY</b>				
Accumulated Funds (Note 5e)	5,186,338	3,372,452	5,186,338	4,028,257
Reserves (Note 5d)	1,057,896	623,647	1,057,896	623,647
<b>TOTAL EQUITY</b>	<b>6,244,234</b>	<b>3,996,099</b>	<b>6,244,234</b>	<b>4,651,904</b>
Notes to and forming part of the accounts are included on pages 29 to 40				

	CONSOLIDATED		BRANCH	
	2005	2004	2005	2004
	\$	\$	\$	\$
	Inflows/ (Outflows)	Inflows/ (Outflows)	Inflows/ (Outflows)	Inflows/ (Outflows)
<b>STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005</b>				
<b>Cash Flows from Operating Activities</b>				
Receipts from Member Contributions, Commission and Member Services	6,294,709	11,404,362	6,148,732	6,402,073
Interest Income Received	178,376	200,723	129,035	123,295
Dividends Received	8,975	11,185	8,975	11,185
Fighting Fund Income	9,496	11,156	9,496	11,156
Interest paid ( borrowing costs)	-17,163	-80,169	-17,163	-80,169
Payments to Suppliers and Employees	-6,525,999	-10,280,727	-6,029,088	-5,537,341
<b>Net Cash flows from Operating Activities</b> (Note 17b)	<b>-51,606</b>	<b>1,266,530</b>	<b>249,987</b>	<b>930,199</b>
<b>Cash Flows from Investing and Financing Activities</b>				
Payment for Property, Plant and Equipment	-91,328	-103,289	-91,328	-99,837
Proceeds from Sale of Investments	163,880	-	163,880	-
Payments to Bank Loan	-165,144	-865,144	-165,144	-865,144
Payments for Purchase of Investments	-	-	-	-
<b>Net Cash Flows Used in Investing and Financing Activities</b>	<b>-92,592</b>	<b>-968,433</b>	<b>-92,592</b>	<b>-964,981</b>
Net Increase in Cash Held	-144,198	298,097	157,395	-34,782
Add opening cash brought forward	2,154,874	1,856,777	927,075	961,857
<b>Closing Cash Carried Forward</b> (Note 17a)	<b>2,010,676</b>	<b>2,154,874</b>	<b>1,084,470</b>	<b>927,075</b>
Notes to and forming part of the accounts are included on pages 29 to 40				

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****(a) Basis of accounting**

The financial report is a general purpose financial report which has been prepared in accordance with applicable Accounting Standards, Urgent Issues Group Consensus Views and comply with the Workplace Relations Act 1996.

**(b) Changes in accounting policies and comparatives**

The accounting policies are consistent with those of the previous year, except for the accounting policies with respect to the provision of employee benefits. Where necessary comparatives have been reclassified and repositioned for consistency with current year disclosure as a result of the revision of accounting standards.

**(c) Principles of Consolidation**

The consolidated accounts have been prepared by combining the Branch financial statements with the only controlled entity - Pharmacy Computers Australia Pty Ltd, as Trustee for The Guild (Victoria) Computer Unit Trust - as defined in AAS 24. Consistent accounting policies have been employed in the preparation and presentation of the consolidated accounts.

The financial statements of the subsidiary is prepared for the same reporting period as the parent entity, using consistent accounting policies.

All intercompany balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full.

**(d) Cash and cash equivalents**

Cash on hand and in banks and short-term deposits are stated at the lower of cost and net realisable value. For the purposes of the statement of cash flows, cash includes cash on hand and in banks, and money market investments readily convertible to cash within 30 days.

**(e) Trade and other receivables**

Trade receivables and recognised and carried at original invoice amount less a provision for any uncollectible debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written-off as incurred.

Receivables from related parties are recognised and carried at the nominal amount due.

**(f) Investments**

Investments are shown at the lower of cost and recoverable value or Branch Committee valuation.

**(g) Plant & Equipment**

All plant and equipment are measured at cost.

Depreciation is provided on plant and equipment. Depreciation is calculated on a straight line basis so as to write off the net cost of each asset during the expected useful life.

**Major depreciation periods are:**

	<b>2005</b>	<b>2004</b>
Plant and Equipment:	5 to 15 years	5 to 15 years
Motor Vehicles:	6 years	6 years

**(h) Inventories**

Inventories are valued at the lower of cost and net realisable value.

**(i) Leases**

Operating lease payments are charged as an expense in the period in which they are incurred.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)****(j) Taxes****(1) Income Tax**

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

**(2) Goods and services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST except:

where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

receivables and payables are stated with the amount of GST included.

The amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables and payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

**(k) Recoverable Amount of Non - Current Assets**

Non-current assets are written down to recoverable amount where the carrying value of any non - current assets exceeds recoverable amount. Recoverable amount is determined as the discounted present value of the amount expected to be recovered through the cash inflows and outflows arising from the continued use and subsequent disposal of the non-current asset.

**(l) Trade and other payables**

Liabilities for trade creditors and other amounts are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the consolidated entity.

Payables to related parties are carried at the principal amount. Interest when charged by the lender, is recognised as an expense on the accrual basis.

**(m) Loans and Borrowings**

All loans are measured at the principal amount. Interest is recognised as an expense as it accrues.

**(n) Employee Benefits**

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and capable of being measured reliably.

Provision made in respect of wages and salaries, annual and long service leave expected to be settled within 12 months is measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled.

Provision made in respect of long service leave which is not expected to be settled within 12 months is measured at the present value of the estimated future cash flows to be made by the Branch in respect of services provided by employees up to the reporting date.

Employee benefit expenses and revenues arising in respect to the following categories:

wages and salaries, non-monetary benefits, annual leave, long service leave, sick leave and other leave benefits;  
and other types of employee benefits

are recognised against profits on a net basis in their respective categories.

**(o) Revenue Recognition**

Direct costs for commissions, member services are offset against revenue for commissions and member services income. This reduces the revenue compared with cash receipts and cash payments. Service revenue including membership fees, training income, consultancy, interest and dividends from financial instruments are recognised as income when control of the right to receive existed.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)****(p) Adoption of Australian Equivalent to International Financial Reporting Standards**

The Financial Reporting Council (FRC) has announced that from 1 January 2005 all Australian entities will be required to prepare their financial statements under International Financial Reporting Standards (IFRS). This is a response to the increased demand for improved and consistent standards of accounting throughout the world as businesses globalise.

The new IFRS compliant Australian standards will be required to be complied with by the company for the full year ending 30 June 2006. The major differences under IFRS mainly relate to business combinations, accounting for income tax, accounting for goodwill and accounting for derivatives/financial instruments. The Pharmacy Guild of Australia, Victorian Branch is undertaking a work program in order to fully comply with the new disclosure requirements of IFRS (such as, reviewing all pending standards and Exposure Drafts to ensure all new requirements are fully understood and complied with, preparing an opening balance sheet on transition date of 1 July 2004 and preparing the fully compliant financial statements for the year ended 30 June 2006 with all of the relevant comparatives and disclosures included).

As The Pharmacy Guild of Australia, Victorian Branch has a 30 June year end, priority is being given to considering the preparation of an opening balance sheet in accordance with AASB equivalents to IFRS as at 1 July 2004. This will form the basis of accounting for Australian equivalents of IFRS in the future, and is required when The Pharmacy Guild of Australia, Victorian Branch prepares its fully IFRS compliant financial report for the year ended 30 June 2006. At this stage, work carried about by the organisation indicates that there will not be any material impact to the reporting results as a result of the adoption of IFRS.

**Note 2 - INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR**

In accordance with the requirements of the Workplace Relations Act (1996), the attention of members is drawn to the provisions of sub sections (1) to (4) of Section 274, which read as follows:

- "(1) A member of an organisation, or a Registrar, may apply to the organisation for specified prescribed information in relation to the organisation.
- (2) An organisation shall, on application made under sub section (1) by a member of the organisation or a Registrar, make the specified information available to the member or Registrar in such manner, and within such time, as is prescribed.
- (3) A Registrar may only make an application under sub-section (1) at the request of a member of the organisation concerned, and the Registrar shall provide to a member information received because of an application made at the request of the member.
- (4) Accounts prepared under Section 273 shall include a notice drawing attention to sub-sections (1), (2) and (3) and setting out those sub-sections."

**Note 3 - OTHER ADMINISTRATIVE EXPENSES**

Other administrative expenses represent items of expenditure which are individually immaterial and include as major items, Bank Fees, Clearing House, Insurance, Power and Light, Repairs, Maintenance and Telephone.

**Note 4 - FIGHTING FUND**

A Special meeting on 7 September 1989 adopted a resolution to establish a Victorian Fighting Fund. The Funds donated by Members and other interested parties have been used to organise electoral campaigns and support National endeavours, both legal and political, against Government changes to the Pharmaceutical Benefits Scheme. The surplus of these funds as at 30 June 2005 are held in a reserve pending future costs relating to this cause. All funds are invested and interest on the funds transferred to the reserve.

	<b>2005</b>	<b>2004</b>
	<b>\$</b>	<b>\$</b>
<b>FIGHTING FUND RESERVE</b>		
Opening Balance 1 July 2004	230,755	290,300
Add: Interest transferred from Accumulated Funds	9,496	11,156
Less: Movements from Reserve	<u>-42,086</u>	<u>-70,701</u>
Closing Balance as at 30 June 2005	<u>198,165</u>	<u>230,755</u>

		CONSOLIDATED		BRANCH	
		2005	2004	2005	2004
		\$	\$	\$	\$
<b>Note 5 - RESERVES AND ACCUMULATED FUNDS</b>					
Building Reserve	(Note 5d)	132,465	132,465	132,465	132,465
Fighting Fund Reserve	(Note 5d)	198,165	230,755	198,165	230,755
Asset Revaluation Reserve	(Note 5d)	727,266	260,427	727,266	260,427
		<b><u>1,057,896</u></b>	<b><u>623,647</u></b>	<b><u>1,057,896</u></b>	<b><u>623,647</u></b>
<b>(a) Building Reserve</b>					
Nature and purpose of reserve					
The building reserve is used to record increments and decrements in the value of non-current assets.					
<b>(b) Fighting Fund Reserve</b>					
Nature and purpose of reserve					
The nature and purpose of the fighting fund reserve has been documented in Note 4.					
<b>(c) Asset Revaluation Reserve</b>					
Nature and purpose of reserve					
The asset revaluation reserve is used to record increments and decrements in the value of non-current assets.					
<b>(d) Movements in Reserve</b>					
		30/6/2004	Accumulated	Accumulated	30/6/2005
		\$	Funds	Funds	\$
			\$	\$	
Building Reserve		132,465	-	-	132,465
Fighting Fund Reserve		230,755	9,496	-	198,165
Asset Revaluation Reserve		260,427	-	-	727,266
		<b><u>623,647</u></b>	<b><u>9,496</u></b>	<b><u>-</u></b>	<b><u>1,057,896</u></b>
		CONSOLIDATED		BRANCH	
		2005	2004	2005	2004
		\$	\$	\$	\$
Balance at the beginning of the year		3,372,452	4,044,139	4,028,257	4,044,139
Net Surplus (Deficit) attributable to members of The Pharmacy Guild of Australia, Victorian Branch		1,823,382	-660,531	1,167,577	-4,726
Transfers to Accumulated Funds from Reserve		-	-	-	-
Total available for appropriation		5,195,834	3,383,608	5,195,834	4,039,413
Transfers from Accumulated Funds to Reserve		-9,496	-11,156	-9,496	-11,156
Balance at end year		<b><u>5,186,338</u></b>	<b><u>3,372,452</u></b>	<b><u>5,186,338</u></b>	<b><u>4,028,257</u></b>
<b>Note 6 - INCOME TAX</b>					
Prima facie tax on profit from ordinary activities		-	267,565	-	-
Non Deductible costs		-	3,234	-	-
Provisions for annual and long service leave		-	3,362	-	-
Accrued Interest		-	109,574	-	-
		-	383,735	-	-
Under Provision for prior years (1999 - 2003)		-	1,163,924	-	-
		-	<b><u>1,547,659</u></b>	-	-

To date income from The Guild (Victoria) Computer Unit Trust has been distributed to PGA which, being a tax exempt entity, has resulted in no tax being paid. Last year a question arose in relation to this treatment and whether public trading trust rules (which tax the trust as a corporate entity) should apply. Pharmacy Computers Australia Pty Ltd has now received confirmation from the Australian Taxation Office that the public trading trust rules should apply. Therefore the tax provided for should be paid. A payment scheme has been applied for over three six monthly instalments to 30 June 2006. The first instalment of \$600,000 has been paid subsequent to 30 June 2005. A decision will be made within the next two months whether the interest and penalties are payable.



	CONSOLIDATED		BRANCH	
	2005	2004	2005	2004
	\$	\$	\$	\$
<b>Note 7 - RECEIVABLES (CURRENT)</b>				
Trade Debtors	548,480	530,019	548,480	377,433
Provision for Doubtful Debts	—	—	—	—
	<u>548,480</u>	<u>530,019</u>	<u>548,480</u>	<u>377,433</u>
Other Debtors	67,498	435,547	67,498	65,832
Controlled Entity	—	—	834,237	73,669
	<u>67,498</u>	<u>435,547</u>	<u>901,735</u>	<u>139,501</u>
	<b><u>615,978</u></b>	<b><u>965,566</u></b>	<b><u>1,450,215</u></b>	<b><u>516,934</u></b>
<b>(a) Related Party Receivables</b>				
The Guild (Victoria) Computer Unit Trust	—	—	834,237	73,669
	<u>—</u>	<u>—</u>	<u>834,237</u>	<u>73,669</u>
<b>(b) Terms and conditions</b>				
Terms and conditions relating to the above financial instruments				
(1) Trade Debtors are non-interest bearing and generally on 30 day terms.				
(2) Other Debtors and other receivables are non-interest bearing and have repayment terms between 30 and 90 days.				
<b>Note 8 - OTHER FINANCIAL ASSETS (CURRENT)</b>				
<b>Non-quoted Investments</b>				
<b>At Cost</b>				
Bank Bills	250,000	1,250,000	250,000	350,000
Short Term Deposits	929,830	416,485	21,630	142,658
	<u>1,179,830</u>	<u>1,666,485</u>	<u>271,630</u>	<u>492,658</u>
<b>(a) Terms and conditions</b>				
Terms and conditions relating to the above financial instruments				
(1) Bankbills have an average maturity of 30 days and have a floating interest rate which has averaged 5.03% (2004 5.01%).				
(2) Short Term Deposits are on 24 hour rate and have a floating interest rate which has averaged 4.75% (2004 4.75%).				
<b>Note 9 - INVENTORIES (CURRENT)</b>				
<b>At Cost</b>				
Stationery Stock	—	2,786	—	2,786
	<u>0</u>	<u>2,786</u>	<u>0</u>	<u>2,786</u>
<b>Note 10 - OTHER CURRENT ASSETS</b>				
Prepayments	242,009	348,161	242,009	312,289
Accrued Income	99,924	234,537	99,924	120,357
	<u>341,933</u>	<u>582,698</u>	<u>341,933</u>	<u>432,646</u>
<b>Note 11 - OTHER FINANCIAL ASSETS (NON-CURRENT)</b>				
<b>Non - quoted Investments</b>				
<b>At Cost</b>				
Shareholding in Pharmacy Computers Aust. P/L	100%	—	175,000	175,000
Shareholding in Guild Insurance Holdings Pty Ltd	—	143,753	—	143,753
Investment in The Guild (Victoria) Computer Unit Trust	100%	—	20	20
Investment in PCA NU Systems Pty Ltd	—	—	—	—
	<u>1,973,784</u>	<u>143,753</u>	<u>175,020</u>	<u>318,773</u>
<b>At Valuation</b>				
Guild Properties (Victoria) Unit Trust	93%	4,855,120	4,855,120	4,388,281
	<b><u>6,828,904</u></b>	<b><u>4,532,034</u></b>	<b><u>5,030,140</u></b>	<b><u>4,707,054</u></b>

	CONSOLIDATED		BRANCH	
	2005	2004	2005	2004
	\$	\$	\$	\$
The Branch holds 3,306,937 units in the Guild Properties (Victoria) Unit Trust, the owner of 40 Burwood Road, Hawthorn. The units are currently valued in accordance with advice from The Guild Properties Company Limited, as Trustee of the Unit Trust to \$1.468162197 per unit. There was a valuation completed at 30 June 2005.				
The Branch has 100% ownership of Pharmacy Computers Australia Pty Ltd as trustee for The Guild (Victoria) Computer Unit Trust. The investment in PCA NU Systems Pty Ltd is comprised of the following:				
Assets Transferred to PCA NU Systems		59,058		
Profit on sale of Intangible Asset		1,681,548		
Profit share (50%) of PCA NU Systems after tax		233,178		
		<u>1,973,784</u>		
<b>Valuations:</b>				
The fair value of investment in Guild Properties (Victoria) Unit Trust have been determined by independent valuation for the freehold land and building on freehold land held by the unit trust. Such valuations are performed on an open market basis, being the amounts for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction at the valuation date.				
<b>Note 12 - PROPERTY, PLANT AND EQUIPMENT</b>				
<b>Office Furniture and Fittings</b>				
At Cost	694,217	684,163	598,499	588,446
Accumulated Depreciation	<u>-536,749</u>	<u>-462,527</u>	<u>-459,299</u>	<u>-403,363</u>
	<b>157,468</b>	<b>221,636</b>	<b>139,200</b>	<b>185,083</b>
<b>Branch Computer Facilities</b>				
At Cost	315,232	327,743	181,462	189,604
Accumulated Depreciation	<u>-220,631</u>	<u>-211,123</u>	<u>-90,774</u>	<u>-100,821</u>
	<b>94,601</b>	<b>116,620</b>	<b>90,688</b>	<b>88,783</b>
<b>Motor Vehicles</b>				
At Cost	134,606	128,764	134,606	128,764
Accumulated Depreciation	<u>-33,586</u>	<u>-47,204</u>	<u>-33,586</u>	<u>-47,204</u>
	<b>101,020</b>	<b>81,560</b>	<b>101,020</b>	<b>81,560</b>
	<b>353,089</b>	<b>419,816</b>	<b>330,908</b>	<b>355,426</b>
Reconciliations of the carrying amounts of property, plant and equipment at the beginning and end of the current and previous financial year.				
<b>Office Furniture and Fittings</b>				
Carrying amount at beginning	221,636	259,455	185,083	203,758
Additions	10,054	33,659	10,054	33,659
Disposals	-	-	-	-
Add back accumulated depreciation from disposals	-	-	-	-
Depreciation Expense	<u>-74,222</u>	<u>-71,478</u>	<u>-55,937</u>	<u>-52,334</u>
	<b>157,468</b>	<b>221,636</b>	<b>139,200</b>	<b>185,083</b>

	CONSOLIDATED		BRANCH	
	2005	2004	2005	2004
	\$	\$	\$	\$
<b>Note 12 - PROPERTY, PLANT AND EQUIPMENT (cont'd)</b>				
<b>Branch Computer Facilities</b>				
Carrying amount at beginning	116,620	134,191	88,783	84,078
Additions	33,413	38,263	33,413	34,811
Disposals	-44,692	-	-41,555	-
Add back accumulated depreciation from disposals	43,781	-	43,781	-
Depreciation Expense	-54,521	-55,834	-33,734	-30,106
	<u>94,601</u>	<u>116,620</u>	<u>90,688</u>	<u>88,783</u>
<b>Motor Vehicles</b>				
Carrying amount at beginning	81,560	69,482	81,560	69,482
Additions	47,862	31,367	47,862	31,367
Disposals	-42,020	-	-42,020	-
Add back accumulated depreciation from disposals	33,619	-	33,619	-
Depreciation Expense	-20,001	-19,289	-20,001	-19,289
	<u>101,020</u>	<u>81,560</u>	<u>101,020</u>	<u>81,560</u>
<b>Note 13 - PAYABLES (CURRENT)</b>				
<b>Unsecured</b>				
Controlled Entity	-	-	20	20
Trade Creditors	795,597	1,247,054	430,352	489,402
Prepaid Income	1,082,561	1,232,118	1,082,561	1,213,919
	<u>1,878,158</u>	<u>2,479,172</u>	<u>1,512,933</u>	<u>1,703,341</u>
Prepaid income represents 2005 subscriptions and deferred income received prior to 30 June 2005.				
<b>Aggregate amounts payable to related parties</b>				
The Guild (Victoria) Computer Unit Trust	<u>-</u>	<u>-</u>	<u>20</u>	<u>20</u>
<b>Note 14 - PROVISIONS (CURRENT)</b>				
<b>Employee Entitlements</b>				
Annual Leave	139,287	164,559	139,287	150,031
Long Service leave	71,257	94,824	71,257	67,936
	<u>210,544</u>	<u>259,383</u>	<u>210,544</u>	<u>217,967</u>
<b>Provision for Income Tax</b>	<u>1,547,689</u>	<u>1,547,689</u>	<u>-</u>	<u>-</u>
	<u>1,758,233</u>	<u>1,807,072</u>	<u>210,544</u>	<u>217,967</u>
<b>Note 15 - INTEREST BEARING LIABILITY (NON-CURRENT)</b>				
<b>Loan</b>				
Bendigo Bank - Purchase of Building Units	<u>146,463</u>	<u>293,193</u>	<u>146,463</u>	<u>293,193</u>
<b>Note 16 - PROVISIONS (NON-CURRENT)</b>				
<b>Employee Entitlements</b>				
Long Service Leave	<u>123,492</u>	<u>82,238</u>	<u>123,492</u>	<u>75,516</u>

Terms and conditions:

The type of facility is a Commercial Business Loan over 10 years, with a fixed 5 year rate ( Principal and interest), then variable for the remainder of the Term.

	CONSOLIDATED		BRANCH	
	2005	2004	2005	2004
	\$	\$	\$	\$
<b>Note 17 - NOTES TO THE STATEMENT OF CASH FLOWS</b>				
<b>(a) Reconciliation of Cash</b>				
For the purposes of the Statement of Cash Flows, cash includes cash on hand and in banks, and investments in money market, instruments, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Balance Sheet as follows:				
<b>Cash at Beginning of the Year</b>				
Cash	488,389	841,460	434,417	737,420
Deposits at Call	<u>1,666,485</u>	<u>1,015,317</u>	<u>492,658</u>	<u>224,437</u>
	<b><u>2,154,874</u></b>	<b><u>1,856,777</u></b>	<b><u>927,075</u></b>	<b><u>961,857</u></b>
<b>Cash at End of the Year</b>				
Cash	830,846	488,389	812,840	434,417
Deposits at Call	<u>1,179,830</u>	<u>1,666,485</u>	<u>271,630</u>	<u>492,658</u>
	<b><u>2,010,676</u></b>	<b><u>2,154,874</u></b>	<b><u>1,084,470</u></b>	<b><u>927,075</u></b>
<b>(b) Reconciliation of Net Cash Provided by Operating Activities to Surplus for Year</b>				
Surplus / (Deficit) for the year after tax	1,823,382	-660,531	1,167,577	-4,726
Depreciation of Non-current Assets	148,744	146,600	109,672	101,728
Other Non Cash Income	-99,925	-112,108	-99,925	-112,108
<b>Changes in Net Assets and Liabilities</b>				
(Increase) / Decrease in Current Receivables	349,588	351,264	-933,281	720,537
(Increase) / Decrease in Current Other Assets	240,765	-181,873	90,713	-181,873
(Increase) / Decrease in Current Inventories	2,786	-1,250	2,786	-1,250
(Increase) / Decrease in Non-Current Assets	-1,908,347	-	143,753	-
(Decrease) / Increase Current Creditors	-601,014	102,506	-271,861	343,664
(Decrease)/ Increase in Current Provisions	-48,839	1,606,510	-7,423	48,815
(Decrease) / Increase in Non-Current Provisions	<u>41,254</u>	<u>15,412</u>	<u>47,976</u>	<u>15,412</u>
<b>Net Cash (Used In) / Provided By Operating Activities</b>	<b><u>-51,606</u></b>	<b><u>1,266,530</u></b>	<b><u>249,987</u></b>	<b><u>930,199</u></b>
<b>Note 18 - RELATED PARTY DISCLOSURES</b>				
<b>(a) Transactions with Related Parties</b>				
The following persons held positions on the Branch Committee or Directors during the reporting period:				
The Pharmacy Guild of Australia:	W.J. Scott (President)		D.S. Nolte	
	B Baxter		J Presutto	
	R.J.C. Foster (Branch Committee and Director)		T.E. Riley	
	R.E. Gymer		B.R. Robertson	
	PD. Howard (Branch Committee and Director)		D Sanghvi	
	H Lyall		M.V. Sheehan (Branch Director)	
	D McLean			
PCA NU Systems Pty Ltd	P D Howard (Director PCA NU Systems Pty Ltd)			
	R J C Foster (Director PCA NU Systems Pty Ltd)			
	N Gibson (Director PCA NU Systems Pty Ltd)			

	2005	2004	2005	2004
	\$	\$	\$	\$
<b>Note 18 - RELATED PARTY DISCLOSURES (cont'd)</b>				
The aggregate amount of remuneration received or receivable by the members of the Branch Committee and Directors for the reporting period including fees, salaries, benefits, superannuation, bonuses or commissions was \$ 322,489 (2004 \$417,682)				
The number of the Branch Committee or Directors whose total remuneration from the Guild and related parties falls within the following bands				
			<b>2005</b>	<b>2004</b>
			<b>No</b>	<b>No.</b>
	\$0	9,999	12	9
	\$10,000	19,999	0	0
	\$20,000	29,999	0	0
	\$30,000	39,999	0	3
	\$40,000	49,999	0	0
	\$80,000	89,999	0	0
	\$90,000	99,999	0	0
	\$120,000	129,999	0	0
	\$130,000	139,999	0	1
	\$140,000	149,999	1	0
	\$170,000	179,999	1	1
During the year some Branch Committee members participated as members in the member service provided and accordingly membership fees were paid in accordance with normal terms and conditions.				
<b>(b) Balances with Related Parties</b>			<b>2005</b>	<b>2004</b>
			<b>\$</b>	<b>\$</b>
<b>(i) Amounts payable to Related Parties</b>				
<b>Other Branches - Current</b>				
	The Pharmacy Guild of Australia (National Secretariat)		12,382	12,894
	The Pharmacy Guild of Australia (WA)		2,634	2,087
	Australian College of Pharmacy Practice, Victorian Branch		8,717	–
<b>Other Related Parties - Current</b>				
	Guild Insurance & Financial Services Ltd		–	–
<b>(ii) Amounts Receivable from Related Parties.</b>				
<b>Other Branches - Current</b>				
	The Pharmacy Guild of Australia (National Secretariat)		101,048	72,080
	Gold Cross Products and Services Pty Ltd		24,000	27,500
	The Pharmacy Guild of Australia (NSW)		29,590	22,660
<b>Other Related Parties - Current</b>				
	Guild Insurance & Financial Services Ltd		45,801	80,304
	Guild Properties Company Ltd		–	–
The following transactions took place with related parties during the reporting period:				
<b>Party</b>	<b>Type of Transaction</b>	<b>Terms</b>	<b>2005</b>	<b>2004</b>
<b>Other Branches</b>		<b>\$</b>	<b>\$</b>	
The Pharmacy Guild of Australia National Secretariat	Membership contributions paid by Victorian Branch	63.87% of gross membership fees received	1,041,287	1,074,405
Gold Cross Products and Services Pty Ltd	Commission paid to Victorian Branch for distribution of its material	Based on membership % applied to gross Division income	95,339	81,588

			2005	2004
			\$	\$
<b>Note 18 - RELATED PARTY DISCLOSURES (cont'd)</b>				
The Pharmacy Guild of Australia (WA)	Income received from Vic Branch as interest less costs on Clearing House facilities.	Interest at normal commercial rates less actual costs	2,394	1,897
The Pharmacy Guild of Australia (NSW)	Commission on sales from Pharmacy Computers Australia Pty Ltd	Based on site sales in each State	-	38,500
The Pharmacy Guild of Australia (Qld)			-	20,000
The Pharmacy Guild of Australia (ACT)			-	5,000
The Pharmacy Guild of Australia (SA)			-	12,000
The Pharmacy Guild of Australia (WA)			-	16,500
The Pharmacy Guild of Australia (Tasmania)			-	5,000
The Pharmacy Guild of Australia (NT)			-	5,000
The following transactions took place with related parties during the reporting period:				
<b>Other Related Parties</b>				
Subsidiaries of The Pharmacy Guild of Australia				
Guild Insurance Company Ltd.	Commission received from Guild Insurance for business referred from Victorian Branch Members	Percentage of business received. Calculated on normal commercial terms.	329,227	331,885
The Guild Properties Company Ltd.	Distribution received by Victorian Branch as interest on units held in Guild Properties (Victoria) Unit Trust.	Normal Commercial terms	201,125	236,612
	Building costs & maintenance paid by Victorian Branch to Guild Properties Company Ltd [Trustee Company of Guild Properties (Victoria) Unit Trust] as tenants of "Guild House", a property owned by the unit trust.	Normal Commercial terms	85,225	79,256
<b>Subsidiaries of the Pharmacy Guild of Australia, Victorian Branch.</b>				
During the year the unit trust paid nil (2004 Nil) to the unit holder, The Pharmacy Guild of Australia, Victorian Branch. Total distribution for the year was nil (2004 Nil).				
As at balance date \$834,237 (2004 \$73,669) is owing to the Pharmacy Guild of Australia, Victorian Branch from Pharmacy Computers Australia Pty Ltd.				
The Pharmacy Guild of Australia, Victorian Branch owe the unit trust \$20 (2004 \$20) for issued units as at balance date.				

	Average Interest Rate %	Variable Interest	Fixed Interest Rate	Non Interest Bearing	Total
<b>Note 19 – FINANCIAL INSTRUMENTS</b>					
<b>a) Significant Accounting Policies</b>					
Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which revenues and expenses are recognised, in respect of each class of financial liability and equity instrument are disclosed in Note 1 to the accounts.					
<b>b) Interest Rate Risk</b>					
The following table details the economic entity's exposure to interest rate risk as at the reporting date.					
<b>2005</b>					
<b>Financial Assets</b>					
Cash	4.25	830,846	–	–	830,846
Trade Receivables		–	–	548,480	548,480
Other Receivables		–	–	67,498	67,498
Other Current Assets		–	–	341,933	341,933
Bank Bills	5.03	–	250,000	–	250,000
Short Term Deposits	4.75	–	929,830	–	929,830
		<u>830,846</u>	<u>1,179,830</u>	<u>957,911</u>	<u>2,968,587</u>
<b>Financial Liabilities</b>					
Trade Payables		–	–	795,597	795,597
Other liabilities		–	–	1,082,561	1,082,561
Provision for Tax		–	–	1,547,689	1,547,689
Employee entitlements		–	–	334,036	334,036
Loans	7.75	–	146,463	–	146,463
		<u>–</u>	<u>146,463</u>	<u>3,759,883</u>	<u>3,906,346</u>
<b>2004</b>					
<b>Financial Assets</b>					
Cash	4.25	488,389	–	–	488,389
Trade Receivables		–	–	530,019	530,019
Other Receivables		–	–	435,547	435,547
Other Current Assets		–	–	582,698	582,698
Bank Bills	5.01	–	1,250,000	–	1,250,000
Short Term Deposits	4.75	–	416,485	–	416,485
		<u>488,389</u>	<u>1,666,485</u>	<u>1,548,264</u>	<u>3,703,138</u>
<b>Financial Liabilities</b>					
Trade Payables		–	–	1,247,054	1,247,054
Other liabilities		–	–	1,232,118	1,232,118
Provision for Tax		–	–	1,547,689	1,547,689
Employee entitlements		–	–	341,621	341,621
Loans	7.75	–	293,193	–	293,193
		<u>–</u>	<u>293,193</u>	<u>4,368,482</u>	<u>4,661,675</u>

	CONSOLIDATED		BRANCH	
	2005	2004	2005	2004
	\$	\$	\$	\$
<b>c) Credit Risk</b>				
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the economic entity. The economic entity has adopted the policy of only dealing with creditworthy counterparts and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial losses from defaults. Credit risk relates only to receivables as shown in Note 7.				
<b>d) Net Fair Value</b>				
As at the reporting date the net fair value of assets and liabilities is not significantly different from the carrying amount in the balance sheet. Net fair value was determined with reference to the carrying amount of assets and liabilities in the balance sheet determined in accordance with the accounting policies disclosed in Note 1 to the accounts.				
<b>Note 20 - SUBSEQUENT EVENTS</b>				
There have been no significant events which have occurred subsequent to 30 June 2005.				
<b>Note 21 - CONTINGENT LIABILITIES</b>				
There are no contingent liabilities as at balance date.				
<b>Note 22 - EMPLOYEE ENTITLEMENTS</b>				
The aggregate employee entitlement liability is comprised of:				
Annual Leave (Current)	139,287	164,559	139,287	150,031
Long Service Leave (Current)	71,257	94,824	71,257	67,936
Long Service Leave (Non-Current)	123,492	82,238	123,492	75,516
	<u>334,036</u>	<u>341,621</u>	<u>334,036</u>	<u>293,483</u>
<b>Note 23 - AUDITORS' REMUNERATION</b>				
Amounts received or due and receivable by Ernst & Young for:				
Auditing the accounts	23,377	30,600	25,177	21,000
Amounts received or due and receivable by others for:				
Auditing and other services	2,500	4,629	2,500	1,779
	<u>25,877</u>	<u>35,229</u>	<u>27,677</u>	<u>22,779</u>
<b>Note 24 - EXPENDITURE COMMITMENTS</b>				
Loan From Bendigo Bank				
Not later than one year	-	-	-	-
<b>Later than one year but not later than five years</b>	<b>146,463</b>	<b>293,193</b>	<b>146,463</b>	<b>293,193</b>



**OPERATING REPORT**

I, WILLIAM JAMES SCOTT, being the designated officer responsible for preparing this report for the financial year ended 30 June 2005 of The Pharmacy Guild of Australia Victorian Branch, report as follows:

**(a) Principal Activities:**

- (i) The Pharmacy Guild of Australia Victorian Branch is an employers' organisation servicing the needs of proprietors of independent community pharmacies and to represent their interests in industrial matters.
- (ii) The Pharmacy Guild of Australia Victorian Branch assists the National Council and the National Executive of The Pharmacy Guild of Australia ("the Guild") in carrying out the overall policy and objectives of the Guild.
- (iii) Included in the Annual Report are the various reports compiled by The Pharmacy Guild of Australia Victorian Branch's President, Director and Officers outlining the activities for the year. There were no significant changes in the nature of these activities during the year under review.

**(b) Significant Financial Changes:**

There have been no significant changes in The Pharmacy Guild of Australia Victorian Branch's financial affairs during the period to which this report relates

**(c) Members Advice:**

- (i) under Section 174 of the Registration and Accountability of Organisations schedule (RAO) and Rule 36 of the rules of the Guild, a member may resign from membership by written notice addressed and delivered to the Branch Director;
- (ii) the register of members of the organisation was maintained in accordance with the RAO; and
- (iii) Section 272 of the RAO outlines members and the registrar's rights to certain prescribed information.

**(d) Officers of the organisation holding the position of a trustee of a superannuation entity, apart from their individual funds, were:**

Robert Foster : The Pharmacy Guild of Australia Superannuation Fund.

**(e) Prescribed and other Information:**

- (i) As at 30 June 2005, to which this report relates, the number of members of the organisation were 948, including honorary life members.
- (ii) As at 30 June 2005, the total number of employees employed by the reporting entity was 23.

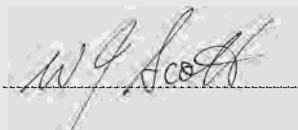
**OPERATING REPORT (continued)**

(iii) During the reporting period, the following persons were members of the Branch Committee:

W.J. Scott (President)	D McLean
B Baxter	D.S. Nolte
R.J.C. Foster	J Presutto
R.E. Gymer	T.E. Riley
P.D. Howard	B.R. Robertson
H Lyall	D Sanghvi

(f) Insurance of Officers:

During the financial year, The Pharmacy Guild of Australia Victorian Branch paid insurance to cover all officers of The Pharmacy Guild of Australia Victorian Branch. The officers of The Pharmacy Guild of Australia Victorian Branch covered by the insurance policy include all the committee of management. Other officers covered by the contract are the management of The Pharmacy Guild of Australia Victorian Branch. The liabilities insured include costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of The Pharmacy Guild of Australia Victorian Branch.



WILLIAM JAMES SCOTT

**COMMITTEE OF MANAGEMENT STATEMENT**


On 9 August 2005, the Committee of Management of The Pharmacy Guild of Australia Victorian 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 2005.

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 Pharmacy Guild of Australia Victorian Branch for the financial year to 30 June 2005;
- (d) there are reasonable grounds to believe that The Pharmacy Guild of Australia Victorian Branch will be able to pay its debts as and when they become due and payable; and
- (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;
  - (ii) the financial affairs of The Pharmacy Guild of Australia Victorian Branch have been managed in accordance with the rules of the organisation;
  - (iii) the financial records of The Pharmacy Guild of Australia Victorian Branch have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations;
  - (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;
  - (v) the information sought in any request of a member of The Pharmacy Guild of Australia Victorian Branch or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the member or Registrar; and
  - (vi) no orders have been made by the Commission under section 273 of the RAO Schedule during the period.

**For Committee of Management: WILLIAM JAMES SCOTT**

Title of Office held: BRANCH PRESIDENT

Signature: .....  
MELBOURNE