



Australian Government

Australian Industrial Registry

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

Dear Mr Sanghvi,

**The Pharmacy Guild of Australia – Victorian Branch
Financial Report for Year Ended 30th June 2005 – FR2005/273
Schedule 1 of the Workplace Relations Act 1996 (RAO Schedule)**

There is no record that the financial report for the year ended 30th June 2005 has been lodged in the Industrial Registry. Could you please arrange for the report to be lodged immediately.

Financial Report for the Year Ended 30th June 2006 - FR2006/442

Thank you for the financial reports of the Victorian Branch of The Pharmacy Guild of Australia for the year ended 30th June 2006. The documents were lodged in the Industrial Registry on 12th October 2006.

The documents have been filed.

I make the following comments to assist you in preparing financial documents in the future. You do not need to take any further action in respect of the documents that have been lodged.

Circulation of Documents to Members

The Designated Officer's Certificate states that financial documents were provided to members on 14th September, 2006 and that a general meeting of members was held on 26th September, 2006. Each of the Auditor's Report, Operating Report and Committee of Management Statement are dated 14th September, 2006.

Section 265(5)(a) of the RAO Schedule requires financial documents to be provided to members a minimum of 21 days before the date of the meeting at which they are presented. According to the Designated Officer's Certificate, however, there were only 12 days between the date of circulation of documents and of the meeting.

This situation may have arisen due to Rule 68, which requires branches of The Pharmacy Guild of Australia to hold their Annual General Meeting (AGM) no later than 30th September each year. In order to comply with the requirements of both Rule 68 and section 265(5)(a) of the RAO Schedule, it would be necessary for the Branch to circulate financial reports to members by 9th September each year at the latest (presuming that the AGM is held on 30th September). This timeline, in turn, requires the Branch to prepare all of its financial documents and to obtain a signed copy of the Auditor's Report by 9th September each year at the latest.

Given the tight timeline that is imposed by the requirements of the Guild's branch rules in conjunction with section 265(5)(a) of the RAO Schedule, you are requested in future years to act promptly after 30th June to ensure that there is a minimum 21 day period between the date of circulation and the date of the AGM.

If it is considered impracticable to meet the timeline requirements of section 265(5)(a) of the RAO Schedule then the Branch could consider the possibility of an alteration to the terms of Rule 68.

General Purpose Financial Report (GPFR)

When preparing a GPFR, section 253(2) of the RAO Schedule requires a reporting unit to provide information that is specified in the Industrial Registrar's Reporting Guidelines. In particular, Guideline 11 sets out in detail those items of expense that must be disclosed by a reporting unit either in the notes to, or on the face of, a financial statement. Included are such items as:

- fees and/or allowances paid for attendance at conferences (11(i));
- conference and meeting expenses (11(k));

The Income Statement includes figures for 'Committee Expenses' (\$59,674), 'Staff Training and Training Expenses' (\$585,371) and 'Travelling Expenses' (\$41,305). It may be that expenses relating to *fees and/or allowances paid for attendance at conferences* or to *conference and meeting expenses* are included within these figures.

You are requested to ensure that any expenses that relate to these categories are *separately* disclosed in accordance with the Reporting Guidelines in future.

Timing of Financial Documents - Lodgement of Documents in the Registry

Section 268 of the RAO Schedule requires the Branch to lodge its financial documents with the Registry within 14 days of the date of the AGM at which they were presented (that is, by 10th October, 2006). The documents were not lodged with the Registry, however, until 12th October, 2006. You are requested to lodge documents within the 14 day period in future.

Please do not hesitate to contact me by email at robert.pfeiffer@air.gov.au or on (03) 8661 7817 if you wish to discuss this letter.

A copy of the financial report has been placed on the website maintained by the Industrial Registry at <http://www.e-airc.gov.au/175Vvic>.

Yours sincerely,



for
Robert Pfeiffer
Statutory Services Branch

31 January 2007

FR2006/442

Attachment D

Designated Officer's¹ Certificate

s268 of Schedule 1B Workplace Relations Act 1996

I, Dipak Sanghvi, being the Victorian President of the Pharmacy Guild of Australia, certify:

- that the documents lodged herewith are copies of the full report referred to in s268 of the RAO Schedule; and
- that the full report was provided to members on 14 September 2006; and
- that the full report was presented to a general meeting of members of the reporting unit on 26 September 2006 in accordance with section 266 of the RAO Schedule.

Signature



Date: 9 OCTOBER 2006

¹RAO regulation 162 prescribes the designated officer for the purpose of RAO schedule s268 as:

- (a) the secretary; or
- (b) an officer of the organisation other than the secretary who is authorised by the organisation or by the rules of the organisation to sign the certificate mentioned in that paragraph.

FINANCIAL STATEMENTS

For year ended 30 June 2006

Income Statement

	CONSOLIDATED		BRANCH	
	2006 \$	2005 \$	2006 \$	2005 \$
REVENUE FROM CONTINUING ACTIVITIES				
Revenue from operating activities				
Member Contributions and Entrance Fees	1,664,542	1,664,167	1,664,542	1,664,167
Commissions	533,466	515,837	533,466	504,141
Consultancy	130,240	124,852	130,240	124,852
Member Services	199,192	368,262	199,192	368,262
Other Income	69,086	282,994	69,086	282,994
Training Income	949,877	858,110	949,877	858,110
Total revenues from operating activities	3,546,403	3,814,222	3,546,403	3,802,526
Revenue from non-operating activities				
Interest	141,105	168,880	132,993	119,539
Dividend Income	--	8,975	--	8,975
Rental Income	278,285	274,571	278,285	274,571
Unit Trust Rental Income	258,725	201,125	258,725	201,125
Profit on Sale of Intangible Asset	--	1,681,548	--	--
Share of Profit PCA NU Systems Pty Ltd	616,378	130,216	--	--
The Guild (Victoria) Computer Unit Trust	--	--	605,427	1,131,177
Management Fees	2,500	9,000	2,500	9,000
Total revenues from outside the operating activities	1,296,993	2,474,315	1,277,930	1,744,387
TOTAL REVENUE FROM CONTINUING ACTIVITIES	4,843,396	6,288,537	4,824,333	5,546,913
EXPENSES FROM CONTINUING ACTIVITIES				
Audit and Accounting Fees	36,293	23,902	36,293	25,702
Committee Expenses	59,674	70,507	59,674	65,082
Depreciation	122,503	148,744	103,563	109,672
Director's Fees	--	--	--	--
Fringe Benefits Tax	45,627	46,609	45,627	45,629
Interest Expense	4,407	17,163	4,407	17,163
Legal Expenses	24,765	32,108	24,765	10,940
Meeting Expenses	--	35	--	35
Member Service	92,548	196,106	92,548	196,106
Membership Contributions to National Council	1,049,007	1,041,287	1,049,007	1,041,287
Novated Lease Costs	6,093	14,813	6,093	14,813
Payment to Branches	2,311	2,395	2,311	2,395

FINANCIAL STATEMENTS

For year ended 30 June 2006

Income Statement (continued)

	CONSOLIDATED		BRANCH	
	2006 \$	2005 \$	2006 \$	2005 \$
Provision for Accrued Annual Leave	(4,199)	(359)	(4,199)	(359)
Provision for Long Service Leave	32,191	59,370	32,191	59,370
Public Relations and Consultancy	141,292	193,381	141,292	193,333
Salaries and Allowances - Elected Officials	42,525	85,800	42,525	85,800
Salaries and Allowances - Staff	1,078,801	1,076,916	1,078,801	1,059,175
Staff Training and Training Expenses	585,371	527,523	585,371	527,523
Superannuation	314,128	250,699	314,128	250,699
Travelling Expenses	41,305	49,343	41,305	49,343
Other Administrative Expenses	Note 3	379,606	379,483	395,678
Printing and Despatch	126,526	141,080	126,526	141,279
Rent	258,726	201,129	258,726	201,129
TOTAL EXPENSES FROM CONTINUING ACTIVITIES	4,439,500	4,577,613	4,420,437	4,491,794
Surplus from Operations	403,896	1,710,924	403,896	1,055,119
Surplus/(Deficit) from Sale of Assets	(2,297)	--	(2,297)	--
Net Fighting Fund Income and Expense	Note 4	(48,173)	(48,173)	(32,590)
SURPLUS (DEFICIT) FROM CONTINUING ACTIVITIES BEFORE INCOME TAX EXPENSE	353,426	1,678,334	353,426	1,022,529
INCOME TAX EXPENSE	Note 6	--	--	--
SURPLUS (DEFICIT) FROM CONTINUING ACTIVITIES AFTER INCOME TAX EXPENSE	Note 5d	353,426	353,426	1,022,529
NET SURPLUS (DEFICIT) ATTRIBUTABLE TO MEMBERS OF THE PHARMACY GUILD OF AUSTRALIA, VICTORIA		353,426	353,426	1,022,529

Notes to and forming part of the accounts are included on pages 22 to 35.

FINANCIAL STATEMENTS

For year ended 30 June 2006

Balance Sheet

		CONSOLIDATED		BRANCH	
		2006 \$	2005 \$	2006 \$	2005 \$
CURRENT ASSETS					
Cash and cash equivalents	Note 16a	321,695	2,010,676	317,501	1,084,470
Receivables	Note 7	543,810	615,979	2,248,201	1,347,253
Other	Note 8	104,044	341,933	104,044	341,933
TOTAL CURRENT ASSETS		969,549	2,968,588	2,669,746	2,773,656
NON-CURRENT ASSETS					
Other financial assets	Note 9	2,237,200	1,870,821	175,020	175,020
Investments available for sale	Note 10	5,718,771	4,855,120	5,718,771	4,855,120
Property, plant and equipment	Note 11	317,542	353,089	314,300	330,908
TOTAL NON-CURRENT ASSETS		8,273,513	7,079,030	6,208,091	5,361,048
TOTAL ASSETS		9,243,062	10,047,618	8,877,837	8,134,704
CURRENT LIABILITIES					
Trade and other payables	Note 12	1,560,061	1,878,158	1,194,836	1,512,933
Provisions	Note 13	249,943	1,758,233	249,943	210,544
TOTAL CURRENT LIABILITIES		1,810,004	3,636,391	1,444,779	1,723,477
NON-CURRENT LIABILITIES					
Interest bearing liability	Note 14	69	146,463	69	146,463
Provisions	Note 15	74,640	123,492	74,640	123,492
TOTAL NON-CURRENT LIABILITIES		74,709	269,955	74,709	269,955
TOTAL LIABILITIES		1,884,713	3,906,346	1,519,488	1,993,432
NET ASSETS		7,358,349	6,141,272	7,358,349	6,141,272
EQUITY					
Accumulated funds	Note 5d	5,617,440	5,215,841	5,617,440	5,215,841
Reserves	Note 5c	1,740,909	925,431	1,740,909	925,431
TOTAL EQUITY		7,358,349	6,141,272	7,358,349	6,141,272

Notes to and forming part of the accounts are included on pages 22 to 35.

FINANCIAL STATEMENTS

For year ended 30 June 2006

Statement of Recognised Income & Expense

	2006 \$	2005 \$
Net gain/(loss) on available-for-sale financial assets	863,651	466,839
Net income recognised directly in equity	863,651	466,839
Surplus/(deficit) for the period	353,426	1,678,334
Total recognised income & expense for the period	<u>1,217,077</u>	<u>2,145,173</u>

Statement of Cash Flows

	CONSOLIDATED		BRANCH	
	2006 \$	2005 \$	2006 \$	2005 \$
	Inflows/ (Outflows)	Inflows/ (Outflows)	Inflows/ (Outflows)	Inflows/ (Outflows)
Cash Flows from Operating Activities				
Receipts from Member Contributions,				
Commission and Member Services	6,590,263	6,294,709	5,643,707	6,148,732
Interest Income Received	141,104	178,376	132,993	129,035
Dividends Received	250,000	8,975	250,000	8,975
Fighting Fund Income	7,414	9,496	7,414	9,496
Interest paid (borrowing costs)	(5,292)	(17,163)	(5,292)	(17,163)
Payments to Suppliers and Employees	(8,409,525)	(6,525,999)	(6,532,846)	(6,029,088)
Net Cash Flows from Operating Activities	<u>(1,426,036)</u>	<u>(51,606)</u>	<u>(504,024)</u>	<u>249,987</u>
		Note 16b		
Cash Flows from Investing and Financing Activities				
Payment for Property, Plant and Equipment	(123,958)	(91,328)	(123,958)	(91,328)
Proceeds from Sale of Investments	11,814	163,880	11,814	163,880
Payments to Bank Loan	(150,801)	(165,144)	(150,801)	(165,144)
Net Cash Flows Used in Investing and Financing Activities	<u>(262,945)</u>	<u>(92,592)</u>	<u>(262,945)</u>	<u>(92,592)</u>
Net Increase in Cash Held	(1,688,981)	(144,198)	(766,969)	157,395
Add opening cash brought forward	2,010,676	2,154,874	1,084,470	927,075
Closing Cash Carried Forward	<u>321,695</u>	<u>2,010,676</u>	<u>317,501</u>	<u>1,084,470</u>
		Note 16a		

Notes to and forming part of the accounts are included on pages 22 to 35.

FINANCIAL STATEMENTS

For year ended 30 June 2006

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. This financial report has been prepared in accordance with the historical cost convention, other than available for sale financial assets which have been measured at fair value.

(b) Statement of Compliance

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS) except for revenue recognition principles which are accounted for in accordance with AASB 1004 "Contributions" which differ with the principles contained under International Financial Reporting Standards (IFRS).

This is the first financial report prepared based on AIFRS and comparatives for the year ended 30 June 2005 have been restated accordingly. Reconciliations of AIFRS equity and profit for 30 June 2005 to the balances reported in the 30 June 2005 financial report and at transition to AIFRS are detailed in note 24.

The following Australian Accounting Standards which have been issued or amended and which are applicable to the branch but are not yet effective and have not been adopted in preparation of the financial statements at reporting date. Application of these standards will not affect any of the amounts recognised or disclosed in the financial statements.

AASB Standard affected	Application Date of Standard	Application Date for Association
AASB 2005-9 Amendments to Australian Accounting Standards [AASB4, AASB 1023, AASB 139 & AASB 132]	1 January 2006	1 July 2006
AASB 7 Financial Instruments: Disclosures	1 January 2007	1 July 2007
AASB 2005-10 Amendments to Australian Accounting Standards [AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB	1 January 2007	1 July 2007
AASB 2005-6 Amendments to Australian Accounting Standards	1 January 2007	1 July 2007

(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. 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 are recognised and carried at original invoice amount less a provision for any uncollectible debts. An estimate for

FINANCIAL STATEMENTS

For year ended 30 June 2006

Note 1 - Summary of Significant Accounting Policies (continued)

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 and other financial assets

Financial assets in the scope of AASB 139 Financial Instruments: Recognition and Measurement are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale investments, as appropriate.

Available-for-sale investments are those non-derivative financial assets that are designated as available-for-sale. After initial recognition available-for-sale investments are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in profit or loss.

Impairment of financial assets - assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

(g) Plant & Equipment

All plant and equipment are measured at cost.

The carrying values of plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events of changes in circumstances indicate that the carrying value may be impaired.

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:

	2005	2006
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.

(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

FINANCIAL STATEMENTS

For year ended 30 June 2006

Note 1 - Summary of Significant Accounting Policies (continued)

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, installations and software support charges 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.

(p) Investment in Associate

The Group's investment in associate is accounted for using the equity method of accounting in the consolidated financial statements. The associate is an entity in which the group has significant influence and which is neither a subsidiary nor a joint venture.

Under the equity method, the investment in the associate is carried in the consolidated balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associate. Goodwill relating to an associate is included in the carrying amount of the investment and is not amortised. After application of the equity model, the Group determines whether it is necessary to recognise any additional impairment loss with respect to the Group's net investment in the associate. The consolidated income statement reflects the Group's share of the results of operations of the associate.

FINANCIAL STATEMENTS

For year ended 30 June 2006

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 272, which read as follows:

- (1) A member of a reporting unit, or a Registrar, may apply to the reporting unit for specific 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 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 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 2006 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.

	2006 \$	2005 \$
FIGHTING FUND RESERVE	\$	\$
Opening Balance 1 July 2005	198,165	230,755
Add: Interest transferred from Accumulated Funds	7,414	9,496
Less: Movements from Reserve	(55,587)	(42,086)
Closing Balance as at 30 June 2006	<u>149,992</u>	<u>198,165</u>

Note 5 - Reserves and Accumulated Funds

		CONSOLIDATED		BRANCH	
		2006 \$	2005 \$	2006 \$	2005 \$
Fighting Fund Reserve	Note 5d	149,992	198,165	149,992	198,165
Investment Revaluation Reserve	Note 5d	1,590,917	727,266	1,590,917	727,266
		<u>1,740,909</u>	<u>925,431</u>	<u>1,740,909</u>	<u>925,431</u>

(a) Fighting Fund Reserve

Nature and purpose of reserve - The nature and purpose of the fighting fund reserve has been documented in Note 4.

(b) Investment Revaluation Reserve

Nature and purpose of reserve - The asset revaluation reserve is used to record increments and decrements in the value of non-current assets

FINANCIAL STATEMENTS

For year ended 30 June 2006

Note 5 - Reserves and Accumulated Funds (continued)

(c) Movements in Reserve

Description	Balance 30/06/05 \$	Transfer from Accumulated Funds \$	Transfer to Accumulated Funds \$	Movements \$	Balance 30/06/06 \$
Fighting Fund Reserve	198,165	7,414	(55,587)	--	149,992
Investment Revaluation Reserve	727,266	--	--	863,651	1,590,917
	925,431	7,414	(55,587)	863,651	1,740,909

	CONSOLIDATED		BRANCH	
	2006 \$	2005 \$	2006 \$	2005 \$
(d) Accumulated Funds				
Balance at the beginning of the year	5,215,841	3,504,917	5,215,841	4,160,722
Net Surplus (Deficit) attributable to members of The Pharmacy Guild of Australia, Victorian Branch	353,426	1,678,334	353,426	1,022,529
Transfers to Accumulated Funds from Reserve	55,587	42,086	55,587	42,086
Total available for appropriation	5,624,854	5,225,337	5,624,854	5,225,337
Transfers from Accumulated Funds to Reserve	(7,414)	(9,496)	(7,414)	(9,496)
Balance at end year	5,617,440	5,215,841	5,617,440	5,215,841

Note 6 - Income Tax

Prima facie tax on profit from ordinary activities	--	--	--	--
Non Deductible costs	--	--	--	--
Provisions for annual and long service leave	--	--	--	--
Accrued Interest	--	--	--	--
Under Provision for prior years (1999 - 2D03)	--	--	--	--
	--	--	--	--

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.

Two years ago 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.

The provision for tax has now been fully paid. The Tax returns from 1999 to 2005 have now been assessed and the final interest payable will be known within the next few months, based on the Bank Bill rate.

FINANCIAL STATEMENTS

For year ended 30 June 2006

	%	CONSOLIDATED		BRANCH	
		2006 \$	2005 \$	2006 \$	2005 \$
Note 7 - Receivables (current)					
Trade Debtors		491,568	548,480	491,568	548,480
Provision for Doubtful Debts		--	--	--	--
		<u>491,568</u>	<u>548,480</u>	<u>491,568</u>	<u>548,480</u>
Other Debtors		52,242	67,499	52,242	67,499
Controlled Entity		--	--	1,704,391	731,274
		<u>52,242</u>	<u>67,499</u>	<u>1,756,633</u>	<u>798,773</u>
		<u>543,810</u>	<u>615,979</u>	<u>2,248,201</u>	<u>1,347,253</u>

(a) Related Party Receivables

The Guild (Victoria) Computer Unit Trust		--	--	<u>1,704,391</u>	<u>731,274</u>
--	--	----	----	------------------	----------------

(b) Terms and conditions

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.

Note 8 - Other Current Assets

Prepayments		96,201	242,009	96,201	242,009
Accrued Income		7,843	99,924	7,843	99,924
		<u>104,044</u>	<u>341,933</u>	<u>104,044</u>	<u>341,933</u>

Note 9 - Other Financial Assets (Non-Current)

Investments in controlled entities

Shareholding in Pharmacy Computers Aust Pty Ltd	100%	--	--	175,000	175,000
Investment in The Guild (Victoria) Computer Unit Trust	100%	--	--	20	20

Investment in associate

Investment in PCA NU Systems Pty Ltd	50%	2,237,200	1,870,821	--	--
		<u>2,237,200</u>	<u>1,870,821</u>	<u>175,020</u>	<u>175,020</u>

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 has been equity accounted. Share of Associate's profit is \$616,378.

FINANCIAL STATEMENTS

For year ended 30 June 2006

	CONSOLIDATED		BRANCH	
	2006 \$	2005 \$	2006 \$	2005 \$
Note 10 - Investment Available for Sale				
At fair value				
Guild Properties (Victoria) Unit Trust	5,718,771	4,855,120	5,718,771	4,855,120

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 \$1.729325665 per unit. There was a valuation completed at 30 June 2006.

Valuations - 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.

Note 11 - Property, Plant and Equipment

Office Furniture and Fittings

At Cost	777,703	694,217	681,986	598,499
Accumulated Depreciation	(607,800)	(536,749)	(515,208)	(459,299)
	169,903	157,468	166,778	139,200

Branch Computer Facilities

At Cost	351,515	315,232	217,745	181,462
Accumulated Depreciation	(255,513)	(220,631)	(121,860)	(90,774)
	96,002	94,601	95,885	90,688

Motor Vehicles

At Cost	77,406	134,606	77,406	134,606
Accumulated Depreciation	(25,769)	(33,586)	(25,769)	(33,586)
	51,637	101,020	51,637	101,020
	317,542	353,089	314,300	330,908

Reconciliations of the carrying amounts of property, plant and equipment at the beginning and end of the current and previous financial year.

Office Furniture and Fittings

Carrying amount at beginning	157,468	221,636	139,200	185,083
Additions	83,487	10,054	83,487	10,054
Disposals	-	-	-	-
Add back accumulated depreciation from disposals	-	-	-	-
Depreciation Expense	(71,052)	(74,222)	(55,909)	(55,937)
	169,903	157,468	166,778	139,200

Branch Computer Facilities

Carrying amount at beginning	94,601	116,620	90,688	88,783
Additions	40,471	33,413	40,471	33,413
Disposals	(4,188)	(44,692)	(4,188)	(41,555)
Add back accumulated depreciation from disposals	1,084	43,781	1,084	43,781
Depreciation Expense	(35,966)	(54,521)	(32,170)	(33,734)
	96,002	94,601	95,885	90,688

FINANCIAL STATEMENTS

For year ended 30 June 2006

	CONSOLIDATED		BRANCH	
	2006 \$	2005 \$	2006 \$	2005 \$
Note 11 - Property, Plant and Equipment (continued)				
<i>Motor Vehicles</i>				
Carrying amount at beginning	101,020	81,560	101,020	81,560
Additions	-	47,862	-	47,862
Disposals	(57,200)	(42,020)	(57,200)	(42,020)
Add back accumulated depreciation from disposals	23,303	33,619	23,303	33,619
Depreciation Expense	(15,486)	(20,001)	(15,486)	(20,001)
	51,637	101,020	51,637	101,020

Note 12 - Trade and Other Payables (Current)

Unsecured

Controlled Entity	--	--	20	20
Trade Creditors	885,212	795,597	519,967	430,352
Prepaid Income	674,849	1,082,561	674,849	1,082,561
	1,560,061	1,878,158	1,194,836	1,512,933

Prepaid income represents 2006 subscriptions and deferred income received prior to 30 June 2006.

Aggregate amounts payable to related parties

The Guild (Victoria) Computer Unit Trust	--	--	20	20
--	----	----	----	----

Note 13 - Provisions (Current)

Employee Entitlements

Annual Leave	126,766	139,287	126,766	139,287
Long Service leave	123,177	71,257	123,177	71,257
	249,943	210,544	249,943	210,544
Provision for Income Tax	---	1,547,689	---	---
	249,943	1,758,233	249,943	210,544

Note 14 - Interest Bearing Liabilities (Non-Current)

Loan

Bendigo Bank - Purchase of Building Units	69	146,463	69	146,463
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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.

FINANCIAL STATEMENTS

For year ended 30 June 2006

	CONSOLIDATED		BRANCH	
	2006 \$	2005 \$	2006 \$	2005 \$
Note 15 - Provisions (Non-Current)				
Employee Entitlements				
Long Service Leave	<u>74,640</u>	<u>123,492</u>	<u>74,640</u>	<u>123,492</u>

Note 16 - Notes to the Statement of Cash Flows

(a) Reconciliation of Cash

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:

Cash at Beginning of the Year

Cash	830,846	488,389	812,840	434,417
Deposits at Call	1,179,830	1,666,485	271,630	492,658
	<u>2,010,676</u>	<u>2,154,874</u>	<u>1,084,470</u>	<u>927,075</u>

Cash at End of the Year

Cash	260,015	830,846	255,821	812,840
Deposits at Call	61,680	1,179,830	61,680	271,630
	<u>321,695</u>	<u>2,010,676</u>	<u>317,501</u>	<u>1,084,470</u>

(b) Reconciliation of Net Cash Provided by Operating Activities to Surplus for Year

Surplus / (Deficit) for the year after tax	353,426	1,678,334	353,426	1,022,529
Depreciation of Non-current Assets	122,504	148,744	103,564	109,672
Other Non Cash Income	29,595	(57,839)	29,595	(57,839)
Changes in Net Assets and Liabilities				
(Increase) / Decrease in Current Receivables	72,169	349,588	(900,948)	(830,319)
(Increase) / Decrease in Current Other Assets	237,889	240,765	237,889	90,713
(Increase) / Decrease in Current Inventories	--	2,786	--	2,786
(Increase) / Decrease in Non-Current Assets	(366,380)	(1,805,385)	--	143,753
(Decrease) / Increase Current Creditors	(318,097)	(601,014)	(318,097)	(271,861)
(Decrease) / Increase in Current Provisions	(1,508,290)	(48,839)	39,399	(7,423)
(Decrease) / Increase in Non-Current Provisions	(48,852)	41,254	(48,852)	47,976
Net Cash (Used In) / Provided By Operating Activities	<u>(1,426,036)</u>	<u>(51,606)</u>	<u>(504,024)</u>	<u>249,987</u>

FINANCIAL STATEMENTS

For year ended 30 June 2006

Note 17 - Related Party Disclosures

(a) Director and executive disclosure

The following persons held positions on the Branch Committee or Directors during the reporting period:

The Pharmacy Guild of Australia, Victoria

D R Sanghvi (President)	D McLean
B Baxter	D S Nolte
R J C Foster (Branch Committee and Director)	T E Riley
K Gray	B R Robertson
R E Gymer	W J Scott
P Krassarís	G Tambassis
M V Sheehan (Branch Director)	

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)

Compensation of Key Management Personnel

The aggregate amount of remuneration received or receivable by the members of the Branch Committee and Directors for the reporting period was as follows:

	Short-Term Employee Benefits	Superannuation Contributions	Total
2006 Total Compensation	\$237,542	\$154,883	\$392,425
2005 Total Compensation	\$284,572	\$37,917	\$322,489

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.

	2006 \$	2005 \$
(b) Balances with Related Parties		
(i) Amounts payable to Related Parties		
Other Branches - Current		
The Pharmacy Guild of Australia (National Secretariat)	19,223	12,382
The Pharmacy Guild of Australia (WA)	2,542	2,634
Australian College of Pharmacy Practice, Victorian Branch	---	8,717
Other Related Parties - Current		
Guild Insurance & Financial Services Ltd	81,952	---
(ii) Amounts Receivable from Related Parties.		
Other Branches - Current		
The Pharmacy Guild of Australia (National Secretariat)	103,855	101,048
Gold Cross Products and Services Pty Ltd	27,500	24,000
The Pharmacy Guild of Australia (NSW)	27,936	29,590
Australian College of Pharmacy Practice, Victorian Branch	12,729	---
Other Related Parties - Current		
Guild Insurance & Financial Services Ltd	80,199	45,801

FINANCIAL STATEMENTS

For year ended 30 June 2006

Note 17 - Related Party Disclosures (continued)

The following transactions took place with related parties during the reporting period:

Party	Type of Transaction	Terms	2006 \$	2005 \$
Other Branches				
The Pharmacy Guild of Australia National Secretariat	Membership contributions paid by Victorian Branch	63.63% of gross membership fees received	1,037,349	1,041,287
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	107,400	95,339
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	2,542	2,394
Other Related Parties				
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.	354,742	329,227
The Guild Properties Company Ltd.	Distribution received by Victorian Branch as interest on units held in Guild Properties (Victoria) Unit Trust.	Normal Commercial terms	258,725	201,125
	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	64,972	85,225

Subsidiaries of the Pharmacy Guild of Australia, Victorian Branch

During the year the unit trust paid nil (2005 Nil) to the unit holder, The Pharmacy Guild of Australia, Victorian Branch. Total distribution for the year was nil (2005 Nil).

As at balance date \$1,704,391 (2005 \$731,274) is owing to the Pharmacy Guild of Australia, Victorian Branch.

The Pharmacy Guild of Australia, Victorian Branch owe the unit trust \$20 (2005 \$20) for issued units as at balance date.

FINANCIAL STATEMENTS

For year ended 30 June 2006

Note 18 – Financial Instruments

a) Significant Accounting Policies

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) Interest Rate Risk

The following table details the economic entity's exposure to interest rate risk as at the reporting date.

	Average Interest Rate %	Variable Interest \$	Fixed Interest Rate \$	Non Interest Bearing \$	Total \$
2006					
Financial Assets					
Cash	4.95	260,015	--	--	260,015
Trade Receivables		--	--	491,568	491,568
Other Receivables		--	--	52,242	52,242
Other Current Assets		--	--	104,044	104,044
Bank Bills	5.20	--	--	--	--
Short Term Deposits	5.45	--	61,680	--	61,680
		<u>260,015</u>	<u>61,680</u>	<u>647,854</u>	<u>969,549</u>
Financial Liabilities					
Trade Payables		--	--	885,212	885,212
Other liabilities		--	--	674,849	674,849
Provision for Tax		--	--	--	--
Employee entitlements		--	--	324,583	324,583
Loans	7.75	--	69	--	69
		--	<u>69</u>	<u>1,884,644</u>	<u>1,884,713</u>
2005					
Financial Assets					
Cash	4.25	830,846	--	--	830,846
Trade Receivables		--	--	548,480	548,480
Other Receivables		--	--	67,499	67,499
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>957,912</u>	<u>2,968,588</u>
Financial Liabilities					
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>146,463</u>	<u>3,759,883</u>	<u>3,906,346</u>

FINANCIAL STATEMENTS

For year ended 30 June 2006

Note 18 – Financial Instruments (continued)

c) Credit Risk

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.

d) Net Fair Value

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.

Note 19 - Subsequent Events

There have been no significant events which have occurred subsequent to 30 June 2006.

Note 20 - Contingent Liabilities

There are no contingent liabilities as at balance date.

Note 21 - Employee Entitlements

	CONSOLIDATED		BRANCH	
	2006 \$	2005 \$	2006 \$	2005 \$
The aggregate employee entitlement liability is comprised of:				
Annual Leave (Current)	126,766	139,287	126,766	139,287
Long Service Leave (Current)	123,177	71,257	123,177	71,257
Long Service Leave (Non-Current)	74,640	123,492	74,640	123,492
	324,583	334,036	324,583	334,036

Note 22 - Auditor's Remuneration

Amounts received or due and receivable by Ernst & Young for:

Auditing the accounts	35,893	21,402	35,893	23,202
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Amounts received or due and receivable by others for:

Auditing and other services	400	2,500	400	2,500
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	36,293	23,902	36,293	25,702
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Note 23 - Expenditure Commitments

Loan From Bendigo Bank

Not later than one year	69	--	69	--
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Later than one year but not later than five years	--	146,463	--	146,463
---	----	---------	----	---------

	69	146,463	69	146,463
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FINANCIAL STATEMENTS

For year ended 30 June 2006

Note 24 - Transition to AIFRS

A reconciliation of equity reported under previous Australian Generally Accepted Accounting Principles (AGAAP) to equity under the Australian Equivalent to IFRS (AIFRS).

	CONSOLIDATED	BRANCH
	2005	2005
Operating result reported under AGAAP	1,823,382	1,167,577
Fighting fund expenditure	(42,086)	(42,086)
Impact of AIFRS on financial result of Associate	(102,962)	(102,962)
Operating result reported under AIFRS	<u>1,678,334</u>	<u>1,022,529</u>
Total equity reported under AGAAP	6,244,234	6,244,234
Impact of AIFRS on financial result of Associate	(102,962)	(102,962)
Total equity reported under AIFRS	<u>6,141,272</u>	<u>6,141,272</u>

OPERATING REPORT

I, DIPAK RAJNIKANT SANGHVI, being the designated officer responsible for preparing this report for the financial year ended 30 June 2006 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.

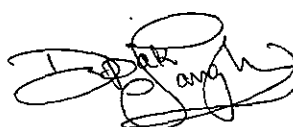
(e) Prescribed and other Information:

- i) As at 30 June 2006, to which this report relates, the number of members of the organisation were 902, including honorary life members.
- (ii) As at 30 June 2006, the total number of employees employed by the reporting entity was 22
- (iii) During the reporting period, the following persons were members of the Branch Committee:

Messrs	D R Sanghvi (President)	D McLean
	R J C Foster	D S Nolte
	K Gray	B R Robertson
	R E Gymer	W J Scott
	P Krassaris	G Tambassis
Ms	B Baxter	T E Riley

(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.



DIPAK RAJNIKANT SANGHVI

14 September 2006

COMMITTEE OF MANAGEMENT STATEMENT

On 14 September 2006, 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 2006.

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

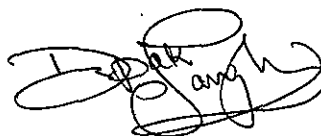
- (a) The financial statements and notes comply with the Australian Accounting Standards;
- (b) The financial statements and notes comply with the reporting guidelines of the Industrial Registrar;
- (c) The financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of The Pharmacy Guild of Australia Victorian Branch for the financial year to 30 June 2006;
- (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:
DIPAK RAJNIKANT SANGHVI**

Title of Office held: BRANCH PRESIDENT



MELBOURNE
14 September 2006

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 income statement, balance sheet, statement of recognised income and expense, 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, 2006. 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

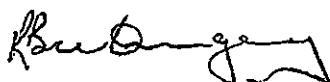
In our opinion:

- (i) the organisation kept satisfactory accounting records for the financial year ended 30 June 2006 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 2006;
 - (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: 14 September, 2006