



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 2007 – FR2007/428**

I acknowledge receipt of the financial report of The Pharmacy Guild of Australia, Victorian Branch for the year ended 30 June 2007. The documents were lodged with the Registry on 8 October 2007 and subsequent correspondence of 5, 14 December 2007 and 27 February 2008.

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***

Could you delete the words “*certificates from the accounting officer and the Branch Committee*” where appearing in the Designated Officer's Certificate and insert “*Committee of Management Statement*”. The certificate was not included in the financial report and is not required.

***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 definitions of approved auditor in regulation 4 of the Workplace Relations (Registration and Accountability of Organisations) Regulations 2003. In all likelihood the Auditor is such a person however, it is our preference that this is made explicit in the Report. I recommend you draw this comment to the attention of your Auditors.

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, consisting of a stylized 'K' followed by a large loop and a long horizontal stroke.

Kevin Donnellan

Statutory Services Branch  
12 March 2008



The PHARMACY GUILD of AUSTRALIA  
VICTORIAN BRANCH

27 February 2008

Mr Kevin Donnellan  
Statutory Services Branch  
Australian Industrial Registry  
GPO Box 1994  
MELBOURNE VIC 3001

Dear Mr Donnellan

**RE: Financial Report for the Pharmacy Guild of Australia, Victoria for Year Ended  
30 June 2007 – FR2007/428**

Thank you for your letter of 11 January 2008 regarding the financial report of the Pharmacy Guild of Australia, Victoria for the year ended 30 June 2007.

As noted in your letter, the full report was made available to members on the Guild website on 11 September 2007 before its presentation to a general meeting of members on 25 September 2007, that is less than 21 days beforehand.

We re-submitted the full report on 18 January 2008 and provided notice via the Guild website of a special General Meeting to be held on 5 February 2008. The full report was then tabled at the General Meeting on 5 February 2008.

Yours sincerely

**Dipak Sanghvi**  
PRESIDENT



**Australian Government**  
**Australian Industrial Registry**

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

Mr 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 2007 – FR2007/428**

I acknowledge receipt of the financial report of The Pharmacy Guild of Australia, Victorian Branch for the year ended 30 June 2007. The documents were lodged with the Registry on 8 October 2007 and subsequent correspondence of 5 and 14 December 2007.

The following matter requires your attention before any action can be taken to file the above report.

*Distribution of the full report to members*

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).

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.

In this instance the full report was made available to members on the Guild website on 11 September 2007 before its presentation to a general meeting of members on 25 September 2007, that is less than 21 days beforehand.

Consequently, I contacted your office and advised on 7 December 2007 that the documents would need to be represented to another meeting. Unfortunately, I may have misled Mr Michael Hook that the documents could be presented to a Committee of Management meeting on the mistaken belief that the 5% rule (Rule 47A) applied to branches in addition to the organisation. I now understand this is not the case. If that was the case I apologise.

The full report should properly be represented to a general meeting. The Branch should advise members that the documents will be presented to such a meeting. There is no need to provide the report to members again.

Please advise me when the report has been presented to a meeting so I may take the necessary steps to file the report.

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'. The signature is fluid and cursive, with a large loop for the letter 'D' and a long horizontal stroke extending to the right.

Kevin Donnellan

Statutory Services Branch  
11 January 2008



The PHARMACY GUILD of AUSTRALIA  
VICTORIAN BRANCH

5 October 2007

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

Dear Mr Pfeiffer

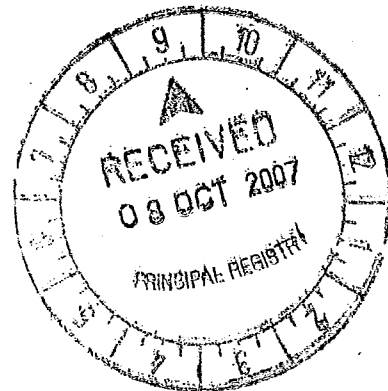
Please find attached a copy of the Annual Report for the Pharmacy Guild of Australia, Victoria for the year ended 30 June 2007. This was made available to members on the Guild website on 11 September and the Annual General Meeting was held on 25 September.

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.

This Branch continues to operate under strict financial requirements, and I believe the signed independent audit report reflects the satisfactory performance of the Branch over the past twelve months.

Yours sincerely

Maurice V Sheehan  
DIRECTOR





The PHARMACY GUILD of AUSTRALIA  
VICTORIAN BRANCH

I, ..... **DIPAK SANGHVI** ....., 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 2006 and ending 30 June 2007 were made available to members free of charge on Tuesday 11 September 2007.
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 2007 and are as presented to the Annual General Meeting of the Pharmacy Guild of Australia, Victoria on 25 September 2007.

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

**05/10/07**  
.....  
Date

# FINANCIAL STATEMENTS

For year ended 30 June 2007

	CONSOLIDATED		BRANCH	
	2007	2006	2007	2006
	\$	\$	\$	\$

## Income Statement

### REVENUE FROM CONTINUING ACTIVITIES

#### Revenue from operating activities

Member Contributions and Entrance Fees	1,658,179	1,664,542	1,658,179	1,664,542
Commissions	510,189	533,466	510,189	533,466
Consultancy	104,723	130,240	104,723	130,240
Member Services	22,406	199,192	22,406	199,192
Other Income	509,504	69,086	144,259	69,086
Training Income	1,101,942	949,877	1,101,942	949,877
<b>Total revenues from operating activities</b>	<b>3,906,943</b>	<b>3,546,403</b>	<b>3,541,698</b>	<b>3,546,403</b>

#### Revenue from non-operating activities

Interest	107,194	141,105	106,606	132,993
Rental Income	290,019	278,285	290,019	278,285
Unit Trust Rental Income	199,542	258,725	199,542	258,725
Share of Profit PCA NU Systems Pty Ltd	1,565,029	616,378	--	--
The Guild (Victoria) Computer Unit Trust	--	--	1,923,748	605,427
Management Fees	--	2,500	--	2,500
<b>Total revenues from outside the operating activities</b>	<b>2,161,784</b>	<b>1,296,993</b>	<b>2,519,915</b>	<b>1,277,930</b>
<b>TOTAL REVENUE FROM CONTINUING ACTIVITIES</b>	<b>6,068,727</b>	<b>4,843,396</b>	<b>6,061,613</b>	<b>4,824,333</b>

### EXPENSES FROM CONTINUING ACTIVITIES

Audit and Accounting Fees	37,288	36,293	37,288	36,293
Committee Fees and Allowances	15,910	15,678	15,910	15,678
Committee Conference and Meeting Expenses	45,460	43,996	45,460	43,996
Depreciation	115,241	122,503	112,120	103,563
Fringe Benefits Tax	23,259	45,627	23,259	45,627
Interest Expense	4,001	4,407	130	4,407
Legal Expenses	13,951	24,765	13,951	24,765
Member Service	48,707	92,548	48,707	92,548
Membership Contributions to National Council	1,006,710	1,049,007	1,006,710	1,049,007
Novated Lease Costs	8,085	6,093	8,085	6,093

\* Notes to and forming part of the accounts are included on pages 20 to 33



## FINANCIAL STATEMENTS

For year ended 30 June 2007

	CONSOLIDATED		BRANCH	
	2007	2006	2007	2006
	\$	\$	\$	\$
Income Statement (continued)				
Payment to Branches	2,158	2,311	2,158	2,311
Provision for Accrued Annual Leave	22,383	-4,199	22,383	-4,199
Provision for Long Service Leave	47,131	32,191	47,131	32,191
Public Relations and Consultancy	33,956	141,292	33,956	141,292
Salaries and Allowances - Elected Officials	--	42,525	--	42,525
Salaries and Allowances - Staff	1,101,674	1,078,801	1,101,674	1,078,801
Staff Training and Training Expenses	630,778	585,371	630,778	585,371
Superannuation	354,466	314,128	354,466	314,128
Travelling Expenses	43,355	41,305	43,355	41,305
Other Administrative Expenses	Note 3	424,280	379,606	424,158
Printing and Despatch	88,218	126,526	88,218	126,526
Rent	199,542	258,726	199,542	258,726
<b>TOTAL EXPENSES FROM CONTINUING ACTIVITIES</b>	<b>4,266,553</b>	<b>4,439,500</b>	<b>4,259,439</b>	<b>4,420,437</b>
Surplus from Operations	1,802,174	403,896	1,802,174	403,896
Surplus/(Deficit) from Sale of Assets	--	-2,297	--	-2,297
Net Fighting Fund Income and Expense	Note 4	-53,341	-48,173	-48,173
<b>SURPLUS (DEFICIT) FROM CONTINUING ACTIVITIES BEFORE INCOME TAX EXPENSE</b>	<b>1,748,833</b>	<b>353,426</b>	<b>1,748,833</b>	<b>353,426</b>
<b>INCOME TAX EXPENSE</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>SURPLUS (DEFICIT) FROM CONTINUING ACTIVITIES AFTER INCOME TAX EXPENSE</b>	Note 5d	<b>1,748,833</b>	<b>1,748,833</b>	<b>353,426</b>
<b>NET SURPLUS (DEFICIT) ATTRIBUTABLE TO MEMBERS OF THE PHARMACY GUILD OF AUSTRALIA, VICTORIA</b>	<b>1,748,833</b>	<b>353,426</b>	<b>1,748,833</b>	<b>353,426</b>

\*Notes to and forming part of the accounts are included on pages 20 to 33

# FINANCIAL STATEMENTS

For year ended 30 June 2007

		CONSOLIDATED		BRANCH	
		2007	2006	2007	2006
		\$	\$	\$	\$
<b>Balance Sheet</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	Note 15a	823,724	321,695	822,934	317,501
Receivables	Note 6	479,400	543,810	3,532,539	2,248,201
Other	Note 7	53,080	104,044	53,080	104,044
<b>TOTAL CURRENT ASSETS</b>		<b>1,356,204</b>	<b>969,549</b>	<b>4,408,553</b>	<b>2,669,746</b>
<b>NON-CURRENT ASSETS</b>					
Other financial assets	Note 8	3,227,229	2,237,200	175,020	175,020
Investments available for sale	Note 9	6,302,319	5,718,771	6,302,319	5,718,771
Property, plant and equipment	Note 10	252,066	317,542	251,946	314,300
<b>TOTAL NON-CURRENT ASSETS</b>		<b>9,781,614</b>	<b>8,273,513</b>	<b>6,729,285</b>	<b>6,208,091</b>
<b>TOTAL ASSETS</b>		<b>11,137,818</b>	<b>9,243,062</b>	<b>11,137,838</b>	<b>8,877,837</b>
<b>CURRENT LIABILITIES</b>					
Trade and other payables	Note 11	1,033,352	1,560,061	1,033,372	1,194,836
Provisions	Note 12	401,064	249,943	401,064	249,943
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,434,416</b>	<b>1,810,004</b>	<b>1,434,436</b>	<b>1,444,779</b>
<b>NON-CURRENT LIABILITIES</b>					
Interest bearing liability	Note 13	199	69	199	69
Provisions	Note 14	12,474	74,640	12,474	74,640
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>12,673</b>	<b>74,709</b>	<b>12,673</b>	<b>74,709</b>
<b>TOTAL LIABILITIES</b>		<b>1,447,089</b>	<b>1,884,713</b>	<b>1,447,109</b>	<b>1,519,488</b>
<b>NET ASSETS</b>		<b>9,690,729</b>	<b>7,358,349</b>	<b>9,690,729</b>	<b>7,358,349</b>
<b>EQUITY</b>					
Accumulated funds	Note 5d	7,419,614	5,617,440	7,419,614	5,617,440
Reserves	Note 5c	2,271,115	1,740,909	2,271,115	1,740,909
<b>TOTAL EQUITY</b>		<b>9,690,729</b>	<b>7,358,349</b>	<b>9,690,729</b>	<b>7,358,349</b>

\*Notes to and forming part of the accounts are included on pages 20 to 33

## FINANCIAL STATEMENTS

For year ended 30 June 2007

	2007	2006
	\$	\$
<b>Statement of Recognised Income &amp; Expense</b>		
Net gain/(loss) on available-for-sale financial assets	583,548	863,651
Net income recognised directly in equity	583,548	863,651
Surplus/(deficit) for the period	1,748,833	353,426
<b>Total recognised income &amp; expense for the period</b>	<b>2,332,381</b>	<b>1,217,077</b>

	CONSOLIDATED		BRANCH	
	2007	2006	2007	2006
	\$	\$	\$	\$
<b>Statement of Cash Flows</b>	<b>Inflows/ (Outflows)</b>	<b>Inflows/ (Outflows)</b>	<b>Inflows/ (Outflows)</b>	<b>Inflows/ (Outflows)</b>
<b>Cash Flows from Operating Activities</b>				
Receipts from Member Contributions,				
Commission and Member Services	5,168,119	6,590,263	4,719,891	5,643,707
Interest Income Received	107,194	141,104	106,606	132,993
Dividends Received	575,000	250,000	575,000	250,000
Fighting Fund Income	8,924	7,414	8,924	7,414
Interest paid (borrowing costs)	-131	-5,292	-131	-5,292
Payments to Suppliers and Employees	-5,307,311	-8,409,525	-4,855,091	-6,532,846
<b>Net Cash Flows from Operating Activities</b> <b>Note 15b</b>	<b>551,795</b>	<b>-1,426,036</b>	<b>555,199</b>	<b>-504,024</b>
<b>Cash Flows from Investing and Financing Activities</b>				
Payment for Property, Plant and Equipment	-49,766	-123,958	-49,766	-123,958
Proceeds from Sale of Investments	--	11,814	--	11,814
Payments to Bank Loan	--	-150,801	--	-150,801
<b>Net Cash Flows Used in Investing and Financing Activities</b>	<b>-49,766</b>	<b>-262,945</b>	<b>-49,766</b>	<b>-262,945</b>
Net Increase in Cash Held	502,029	-1,688,981	505,433	-766,969
Add opening cash brought forward	321,695	2,010,676	317,501	1,084,470
<b>Closing Cash Carried Forward</b> <b>Note 15a</b>	<b>823,724</b>	<b>321,695</b>	<b>822,934</b>	<b>317,501</b>

\*Notes to and forming part of the accounts are included on pages 20 to 33

# FINANCIAL STATEMENTS

For year ended 30 June 2007

## 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) Accounting Standards issued but not adopted

Except for the amendments to AASB 101 Presentation of Financial Statements and AASB 2007-4 Amendments to Australian Accounting Standards arising from ED 151 and Other Amendments, which The Pharmacy Guild of Australia, Victorian Branch has early adopted, Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by The Pharmacy Guild of Australia, Victorian Branch for the annual reporting period ending 30 June 2007. These are outlined in the table below

Reference	Title	Summary	Application date of standard*	Impact on Group financial report	Application date for Group*
AASB 2005-10	Amendments to Australian Accounting Standards [AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023 & AASB 1038]	Amendments arise from the release in August 2005 of AASB 7 Financial Instruments: Disclosures.	1 January 2007	AASB 7 is a disclosure standard so will have no direct impact on the amounts included in the Group's financial statements. However, the amendments will result in changes to the financial instrument disclosures included in the Group's financial report.	1 July 2007
AASB 2007-3	Amendments to Australian Accounting Standards arising from AASB 8 (AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 & AASB 1038)	Amending standard issued as a consequence of AASB 8 Operating Segments.	1 January 2009	AASB 8 is a disclosure standard so will have no direct impact on the amounts included in the Group's financial statements. However the new standard is expected to have an impact on the Group's segment disclosures as segment information based on management reports are more detailed than those currently reported under AASB 134.	1 July 2009
AASB 7	Financial Instruments: Disclosures	New standard replacing disclosure requirements of AASB 132.	1 January 2007	Refer to AASB 2005-10 above.	1 July 2007
AASB 8	Operating Segments	This new standard will replace AASB 134 Segment Reporting and adopts a management approach to segment reporting.	1 January 2009	Refer to AASB 2007-3 above.	1 July 2009

## FINANCIAL STATEMENTS

For year ended 30 June 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 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:

	2006	2007
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.

## FINANCIAL STATEMENTS

For year ended 30 June 2007

### (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 of 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.

## FINANCIAL STATEMENTS

For year ended 30 June 2007

### (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.

### 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 reads 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 2007 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.

	2007	2006
	\$	\$
<b>FIGHTING FUND RESERVE</b>		
Opening Balance 1 July 2006	149,992	198,165
Add: Interest transferred from Accumulated Funds	8,925	7,414
Less: Movements from Reserve	<u>-62,266</u>	<u>-55,587</u>
Closing Balance as at 30 June 2007	<u>96,651</u>	<u>149,992</u>

## FINANCIAL STATEMENTS

For year ended 30 June 2007

	CONSOLIDATED		BRANCH	
	2007	2006	2007	2006
	\$	\$	\$	\$

### Note 5 - Reserves and Accumulated Funds

Fighting Fund Reserve	Note 5c	96,651	149,992	96,651	149,992
Investment Revaluation Reserve	Note 5c	2,174,465	1,590,917	2,174,465	1,590,917
		<u>2,271,116</u>	<u>1,740,909</u>	<u>2,271,116</u>	<u>1,740,909</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

	Balance 30/06/2006	Transfer to Accumulated Funds	Transfer from Accumulated Funds	Movements	Balance 30/06/2007
	\$	\$	\$	\$	\$

#### (c) Movements in Reserve

Description	Balance 30/06/2006	Transfer to Accumulated Funds	Transfer from Accumulated Funds	Movements	Balance 30/06/2007
Fighting Fund Reserve	149,992	8,925	-62,266	--	96,651
Investment Revaluation Reserve	1,590,917	--	--	583,548	2,174,465
	<u>1,740,909</u>	<u>8,925</u>	<u>-62,266</u>	<u>583,548</u>	<u>2,271,116</u>

	CONSOLIDATED		BRANCH	
	2007	2006	2007	2006
	\$	\$	\$	\$

#### (d) Accumulated Funds

Balance at the beginning of the year	5,617,440	5,215,841	5,617,440	5,215,841
Net Surplus (Deficit) attributable to members of The Pharmacy Guild of Australia, Victoria	1,748,833	353,426	1,748,833	353,426
Transfers to Accumulated Funds from Reserve	62,266	55,587	62,266	55,587
Total available for appropriation	<u>7,428,539</u>	<u>5,624,854</u>	<u>7,428,539</u>	<u>5,624,854</u>
Transfers from Accumulated Funds to Reserve	-8,925	-7,414	-8,925	-7,414
Balance at end year	<u>7,419,614</u>	<u>5,617,440</u>	<u>7,419,614</u>	<u>5,617,440</u>



## FINANCIAL STATEMENTS

For year ended 30 June 2007

	CONSOLIDATED		BRANCH	
	2007	2006	2007	2006
	\$	\$	\$	\$

### Note 6 - Receivables (current)

Trade Debtors	441,478	491,568	441,478	491,568
Provision for Doubtful Debts	--	--	--	--
	<u>441,478</u>	<u>491,568</u>	<u>441,478</u>	<u>491,568</u>
Other Debtors	37,922	52,242	37,922	52,242
Controlled Entity	--	--	3,053,139	1,704,391
	<u>37,922</u>	<u>52,242</u>	<u>3,091,061</u>	<u>1,756,633</u>
	<u>479,400</u>	<u>543,810</u>	<u>3,532,539</u>	<u>2,248,201</u>

#### (a) Related Party Receivables

The Guild (Victoria) Computer Unit Trust	--	--	3,053,139	1,704,391
--	----	----	-----------	-----------

#### (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 7 - Other Current Assets

Prepayments	48,352	96,201	48,352	96,201
Accrued Income	4,728	7,843	4,728	7,843
	<u>53,080</u>	<u>104,044</u>	<u>53,080</u>	<u>104,044</u>

### Note 8 - 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%	3,227,229	2,237,200	--	--
		<u>3,227,229</u>	<u>2,237,200</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 \$1,565,029

## FINANCIAL STATEMENTS

For year ended 30 June 2007

	CONSOLIDATED		BRANCH	
	2007	2006	2007	2006
	\$	\$	\$	\$

### Note 9 - Investment Available for Sale

At fair value

	2007	2006	2007	2006
Guild Properties (Victoria) Unit Trust	6,302,319	5,718,771	6,302,319	5,718,771

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 \$1.905787467 per unit. There was a valuation completed at 30 June 2007.

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 10 - Property, Plant and Equipment

#### Office Furniture and Fittings

At Cost	781,046	777,703	685,329	681,986
Accumulated Depreciation	-672,128	-607,800	-576,531	-515,208
	108,918	169,903	108,798	166,778

#### Branch Computer Facilities

At Cost	369,590	351,515	235,820	217,745
Accumulated Depreciation	-291,654	-255,513	-157,884	-121,860
	77,936	96,002	77,936	95,885

#### Motor Vehicles

At Cost	105,754	77,406	105,754	77,406
Accumulated Depreciation	-40,542	-25,769	-40,542	-25,769
	65,212	51,637	65,212	51,637
	252,066	317,542	251,946	314,300

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	169,903	157,468	166,778	139,200
Additions	3,344	83,487	3,344	83,487
Disposals	--	--	--	--
Add back accumulated depreciation from disposals	--	--	--	--
Depreciation Expense	-64,329	-71,052	-61,324	-55,909
	108,918	169,903	108,798	166,778

## FINANCIAL STATEMENTS

For year ended 30 June 2007

	CONSOLIDATED		BRANCH	
	2007	2006	2007	2006
	\$	\$	\$	\$

### Note 10 - Property, Plant and Equipment (continued)

#### Branch Computer Facilities

Carrying amount at beginning	96,002	94,601	95,885	90,688
Additions	18,075	40,471	18,075	40,471
Disposals	--	-4,188	--	-4,188
Add back accumulated depreciation from disposals	--	1,084	--	1,084
Depreciation Expense	-36,141	-35,966	-36,024	-32,170
	<u>77,936</u>	<u>96,002</u>	<u>77,936</u>	<u>95,885</u>

#### Motor Vehicles

Carrying amount at beginning	51,637	101,020	51,637	101,020
Additions	28,347	--	28,347	--
Disposals	--	-57,200	--	-57,200
Add back accumulated depreciation from disposals	--	23,303	--	23,303
Depreciation Expense	-14,772	-15,486	-14,772	-15,486
	<u>65,212</u>	<u>51,637</u>	<u>65,212</u>	<u>51,637</u>

### Note 11 - Trade and Other Payables (current)

#### Unsecured

Controlled Entity	--	--	20	20
Trade Creditors	469,111	885,212	469,111	519,967
Prepaid Income	564,241	674,849	564,241	674,849
	<u>1,033,352</u>	<u>1,560,061</u>	<u>1,033,372</u>	<u>1,194,836</u>

Prepaid income represents 2007 subscriptions and deferred income received prior to 30 June 2007.

#### Aggregate amounts payable to related parties

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

## FINANCIAL STATEMENTS

For year ended 30 June 2007

	CONSOLIDATED		BRANCH	
	2007	2006	2007	2006
	\$	\$	\$	\$

### Note 12 - Provisions (current)

#### Employee Entitlements

Annual Leave	157,483	126,766	157,483	126,766
Long Service leave	243,581	123,177	243,581	123,177
	<u>401,064</u>	<u>249,943</u>	<u>401,064</u>	<u>249,943</u>

### Note 13 - Interest Bearing Liabilities (non-current)

#### Loan

Bendigo Bank - Purchase of Building Units	<u>199</u>	<u>69</u>	<u>199</u>	<u>69</u>
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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.

### Note 14 - Provisions (non-current)

#### Employee Entitlements

Long Service Leave	<u>12,474</u>	<u>74,640</u>	<u>12,474</u>	<u>74,640</u>
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### Note 15 - 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, net of items in the Balance Sheet as follows outstanding bank overdrafts. Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related instruments,

#### Cash at Beginning 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>

#### Cash at End of the Year

Cash	437,422	260,015	436,632	255,821
Deposits at Call	386,302	61,680	386,302	61,680
	<u>823,724</u>	<u>321,695</u>	<u>822,934</u>	<u>317,501</u>

## FINANCIAL STATEMENTS

For year ended 30 June 2007

	CONSOLIDATED		BRANCH	
	2007	2006	2007	2006
	\$	\$	\$	\$

Note 15 - Notes to the Statement of Cash Flows (continued)

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

Surplus / (Deficit) for the year after tax	1,748,833	353,426	1,748,833	353,426
Depreciation of Non-current Assets	115,242	122,504	112,120	103,564
Other Non Cash Income	--	29,595	--	29,595
<b>Changes in Net Assets and Liabilities</b>				
(Increase) / Decrease in Current Receivables	-1,284,338	72,169	-1,284,338	-900,948
(Increase) / Decrease in Current Other Assets	50,963	237,889	50,963	237,889
(Increase) / Decrease in Non-Current Assets	575,000	-366,380	--	--
(Decrease) / Increase Current Creditors	-742,990	-318,097	-161,464	-318,097
(Decrease) / Increase in Current Provisions	151,121	-1,508,290	151,121	39,399
(Decrease) / Increase in Non-Current Provisions	-62,036	-48,852	-62,036	-48,852
<b>Net Cash (Used In) / Provided By Operating Activities</b>	<b>551,795</b>	<b>-1,426,036</b>	<b>555,199</b>	<b>-504,024</b>

### Note 16 - 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)	B R Robertson
D McLean	R E Gymer
B Baxter	W J Scott
D S Nolte	P Krassaris
R J C Foster (Branch Committee and Director)	G Tambassis
T E Riley	M V Sheehan (Branch Director)
K Gray	

**PCA NU Systems Pty Ltd**

W J Scott (Director PCA NU Systems Pty Ltd)  
 R J C Foster (Director PCA NU Systems Pty Ltd)  
 N Gibson (Director PCA NU Systems Pty Ltd)

## FINANCIAL STATEMENTS

For year ended 30 June 2007

### Note 16 - Related Party Disclosures (continued)

#### 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
2007 Total Compensation	\$174,762	\$179,957	\$354,719
2006 Total Compensation	\$237,542	\$154,883	\$392,425

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.

	2007	2006
	\$	\$

#### (b) Balances with Related Parties

##### (i) Amounts payable to Related Parties

###### Other Branches - Current

The Pharmacy Guild of Australia (National Secretariat)	9,188	19,223
The Pharmacy Guild of Australia (WA)	2,374	2,542

###### Other Related Parties - Current

Guild Insurance & Financial Services Ltd	4,905	81,952
--	-------	--------

##### (ii) Amounts Receivable from Related Parties.

###### Other Branches - Current

The Pharmacy Guild of Australia (National Secretariat)	112,051	103,855
Gold Cross Products and Services Pty Ltd	23,100	27,500
The Pharmacy Guild of Australia (NSW)	18,641	27,936
Australian College of Pharmacy Practice, Victorian Branch	135	12,729

###### Other Related Parties - Current

Guild Insurance & Financial Services Ltd	68,760	80,199
--	--------	--------

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

Party	Type of Transaction	Terms	2007	2006
			\$	\$
<b>Other Branches</b>				
The Pharmacy Guild of Australia National Secretariat	Membership contributions paid by Victorian Branch	61.94% of gross membership fees received	1,006,710	1,037,349
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	101,539	107,400
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	2,374	2,542

## FINANCIAL STATEMENTS

For year ended 30 June 2007

Party	Type of Transaction	Terms	2007 \$	2006 \$
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### Note 16 - Related Party Disclosures (continued)

#### Other Related Parties

##### Subsidiaries of The Pharmacy Guild of Australia

Party	Type of Transaction	Terms	2007 \$	2006 \$
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	352,038	358,742
The Guild Properties Company Ltd.	Distribution received by Victorian Branch as interest on units held in Guild Properties (Victoria) Unit Trust	Normal Commercial Terms	199,542	258,725
	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	85,782	64,972

#### Subsidiaries of the Pharmacy Guild of Australia, Victorian Branch

During the year the unit trust paid nil (2006 nil) to the unit holder, The Pharmacy Guild of Australia, Victorian Branch. Total distribution for the year was nil (2006 nil).

As at balance date \$3,053,139 (2006 \$1,704,391) is owing to the Pharmacy Guild of Australia, Victorian Branch.

The Pharmacy Guild of Australia, Victorian Branch owe the unit trust \$20 (2006 \$20) for issued units as at balance date.

### Note 17 - 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
		\$	\$	\$	\$
<b>2007</b>					
<b>Financial Assets</b>					
Cash	5.45	437,422	--	--	437,422
Trade Receivables		--	--	441,478	441,478
Other Receivables		--	--	37,922	37,922
Other Current Assets		--	--	53,080	53,080
Bank Bills	6.10	--	350,000	--	350,000
Short Term Deposits	5.95	--	36,302	--	36,302
		<b>437,422</b>	<b>386,302</b>	<b>532,480</b>	<b>1,356,204</b>

## FINANCIAL STATEMENTS

For year ended 30 June 2007

	Average Interest Rate %	Variable Interest \$	Fixed Interest Rate \$	Non Interest Bearing \$	Total \$
--	-------------------------	----------------------	------------------------	-------------------------	----------

### Note 17 - Financial Instruments (continued)

#### Financial Liabilities

Trade Payables		--	--	469,111	469,111
Other liabilities		--	--	564,241	564,241
Provision for Tax		--	--	--	0
Employee entitlements		--	--	413,538	413,538
Loans	8.50	--	199	--	199
			<u>199</u>	<u>1,446,890</u>	<u>1,447,089</u>

#### 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		--	--	--	--
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>

#### 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 6.

#### 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.



## FINANCIAL STATEMENTS

For year ended 30 June 2007

	CONSOLIDATED		BRANCH	
	2007	2006	2007	2006
	\$	\$	\$	\$

### Note 18 - Subsequent Events

There have been no significant events which have occurred subsequent to 30 June 2007.

### Note 19 - Contingent Liabilities

An issue has arisen in relation to the purchase of Units by The Pharmacy Guild of Australia, Victorian Branch in the Guild Property Trust Limited in 2002, from Guild Insurance and Financial Services Limited, a wholly owned subsidiary of The Pharmacy Guild of Australia. This is currently being reviewed and a decision on whether stamp duty to the approximate value of \$120,000 will be payable is yet to be decided.

### Note 20 - Employee Entitlements

The aggregate employee entitlement liability is comprised of:

Annual Leave (Current)	157,483	126,766	157,483	126,766
Long Service Leave (Current)	243,581	123,177	243,581	123,177
Long Service Leave (Non-Current)	12,474	74,640	12,474	74,640
	<b>413,538</b>	<b>324,583</b>	<b>413,538</b>	<b>324,583</b>

### Note 21 - Auditor's Remuneration

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

Auditing the accounts	35,678	35,893	35,678	35,893
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Amounts received or due and receivable by others for:

Auditing and other services	1,610	400	1,610	400
	<b>37,288</b>	<b>36,293</b>	<b>37,288</b>	<b>36,293</b>

### Note 22 - Expenditure Commitments

Loan From Bendigo Bank

Not later than one year	199	69	199	69
Later than one year but not later than five years	--	--	--	--
	<b>199</b>	<b>69</b>	<b>199</b>	<b>69</b>

## OPERATING REPORT

I, DIPAK RAJNIKANT SANGHVI, being the designated officer responsible for preparing this report for the financial year ended 30 June 2007 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 2007, to which this report relates, the number of members of the organisation were 823, including honorary life members.

As at 30 June 2007, the total number of employees employed by the reporting entity was 26.

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

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

10 September 2007

## COMMITTEE OF MANAGEMENT STATEMENT

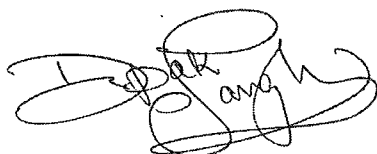
On 10 September 2007, the Committee of Management of The Pharmacy Guild of Australia Victorian Branch passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30 June 2007.

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

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the Industrial Registrar;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of The Pharmacy Guild of Australia Victorian Branch for the financial year to 30 June 2007;
- (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



Signature: .....

MELBOURNE 10 SEPTEMBER 2007

## **Independent auditor's report to the members of Pharmacy Guild of Australia, Victorian Branch**

We have audited the accompanying financial report of Pharmacy Guild of Australia, Victorian Branch (the Branch), which comprises the balance sheet as at 30 June 2007, and the income statement, statement of recognised income and expense and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the Branch committee declaration of the consolidated entity comprising the Branch and the entities it controlled at the year's end or from time to time during the financial year.

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

The Branch Committee of the Branch are responsible for the preparation and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and in accordance with the Workplace Relations Act. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### *Auditor's Responsibility*

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

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

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

### *Independence*

In conducting our audit we have met the independence requirements of Australian professional ethical pronouncements.

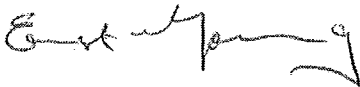
*Auditor's Opinion*

In our opinion:

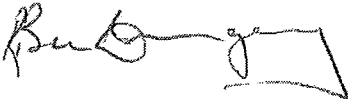
- (i) the organisation kept satisfactory accounting records for the financial year ended 30 June 2007 which detailed the sources and nature of the income of the organisation (including income from members), and the nature and purposes of expenditure of the organisation; and
- (ii) the accounts and statements 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 2007;
  - (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

Melbourne

Date: 10 September, 2007