



FAIR WORK  
AUSTRALIA

12 January 2010

Mr Dipak Sanghvi  
Branch President  
The Pharmacy Guild of Australia - Victoria Branch  
Guild House  
Level 2, 40 Burwood Road  
HAWTHORN VIC 3122

By email to: [michael.hook@vic.guild.org.au](mailto:michael.hook@vic.guild.org.au) (Attention: Michael Hook)

Dear Mr Sanghvi,

**Re: Financial Report for The Pharmacy Guild of Australia - Victoria Branch for year ended 30 June 2009 - FR2009/275**

I acknowledge receipt of the financial report for The Pharmacy Guild of Australia - Victoria Branch for the year ended 30 June 2009. The report was lodged with the Registry on 19 October 2009.

The financial report has been filed.

The qualified auditor's opinion is noted. No issues arise from the qualified auditor's opinion which require further explanation. Further, the qualified opinion does not in the circumstances give rise to any matter requiring action under section 332 of the *Fair Work (Registered Organisations) Act 2009*.

The following other matters are raised in relation to the financial documents. No further action is required in relation to the material which has been filed, however please be aware of these matters when preparing future financial reports under the *Fair Work (Registered Organisations) Act 2009*.

(a) Auditor's qualifications

Regulation 4 of the *Fair Work (Registered Organisations) Regulations 2009* defines an approved auditor as a person who is a member of CPA Australia, The Institute of Chartered Accountants in Australia or the National Institute of Accountants, and holds a current Public Practice Certificate. In all likelihood the auditor is such a person however it is our preference that this is made explicit in future auditor's report.

(b) Committee of management statement

The Committee of management certificate is undated, although I note that the date of the resolution is specified. In future years could you please have the signatory sign and also date the certificate.

If you wish to discuss any of the matters raised in this correspondence, I can be contacted on (03) 8661 7811 or by email to [mark.elliott@airc.gov.au](mailto:mark.elliott@airc.gov.au).

Yours sincerely

MARK ELLIOTT  
Tribunal Services and Organisations  
Fair Work Australia



I, Dipak Sanyhuri, 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 2008 and ending 30 June 2009 were made available to members free of charge on Friday 11 September 2009.
2. The enclosed documents are copies of the auditor's report, the accounts and statements and the Committee of Management Statement, prepared for the Branch in accordance with the Act in respect to the year ending 30 June 2009 and are as presented to Annual General meeting of the Pharmacy Guild of Australia, Victoria on 6 October 2009.

  
.....

President  
The Pharmacy Guild of Australia, Victoria

19/10/2009  
.....

Date

**Victoria**

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# The Pharmacy Guild of Australia

## The Pharmacy Guild of Australia, Victoria

### Financial Statements - For year ended 30 June 2009

#### Consisting of

- Financial statements
- Notes relating to the financial statements
- Auditor's report
- Operating report
- Committee of management statement

#### Income Statement

	CONSOLIDATED		BRANCH	
	2009	2008	2009	2008
	\$	\$	\$	\$
<b>REVENUE</b>				
<b>Revenue</b>				
Member Contributions and Entrance Fees	1,678,754	1,491,783	1,678,754	1,491,783
Commissions	531,555	541,893	531,555	541,893
Member Services	--	22,128	--	22,128
Other Income	150,937	269,524	150,937	269,524
Training Income	1,367,995	1,253,587	1,367,995	1,253,587
Medication Management Review Project Income	164,146	170,239	164,146	170,239
Quality Care Pharmacy Program Project Income	514,118	291,366	514,118	291,366
	<b>4,407,505</b>	<b>4,040,520</b>	<b>4,407,505</b>	<b>4,040,520</b>
<b>Other Income</b>				
Interest	72,416	154,442	71,620	153,858
Rental Income Guild Properties	300,935	212,394	--	--
Other Rental Income from National Secretariat	8,927	2,379	8,927	2,379
The Guild Properties (Victoria) Unit Trust Profit Distribution	--	--	300,935	212,394
Share of Profit FRED IT Group Pty Ltd	454,440	1,553,875	--	--
The Guild (Victoria) Computer Unit Trust Distribution	--	--	455,180	1,554,245
Profit (Loss) from Sale of Assets	1,190	468	1,190	468
Gain / (loss) on revaluation of Investment Property Note 4(b)	46,684	210,078	--	--
<b>Total other income</b>	<b>884,592</b>	<b>2,133,636</b>	<b>837,852</b>	<b>1,923,344</b>
<b>Total revenue</b>	<b>5,292,097</b>	<b>6,174,156</b>	<b>5,245,357</b>	<b>5,963,864</b>

# Financial statements

For year ended 30 June 2009

		CONSOLIDATED		BRANCH	
		2009	2008	2009	2008
		\$	\$	\$	\$
<b>Expenses</b>					
Audit and Accounting Fees	Note 20	45,217	39,272	45,217	39,272
Building Costs	Note 3(a)	121,003	130,129	121,003	130,129
Committee fees and allowances		16,869	18,882	16,869	18,882
Committee Conference and Meeting Expenses		43,350	70,780	43,350	70,780
Depreciation		189,622	104,497	189,622	104,377
Fringe Benefits Tax		35,005	26,297	35,005	26,297
Legal Expenses		14,606	39,574	14,606	39,574
Member Service		18,676	80,571	18,676	80,569
Membership Contributions to National Council		957,365	844,491	957,365	844,491
Novated Lease Costs		9,270	9,598	9,270	9,598
Payment to Branches		--	1,747	--	1,749
Payroll Tax		128,234	101,912	128,234	101,912
Provision for Accrued Annual Leave		53,494	25,434	53,494	25,434
Provision for Long Service Leave		41,383	37,490	41,383	37,490
Public Relations and Consultancy		86,284	53,747	86,284	53,747
Salaries and Allowances - Elected Officials		156,750	50,000	156,750	50,000
Salaries and Allowances - Staff		1,791,764	1,307,344	1,791,764	1,307,344
Staff Training and Training Expenses		682,648	661,403	682,648	661,403
Superannuation		305,869	370,254	305,869	370,254
Travelling Expenses		100,154	65,326	100,154	65,326
Other Expenses	Note 3(b)	300,885	461,036	300,829	460,942
Printing and Despatch		99,944	89,811	99,944	89,811
Impairment	Note 4(b)	226,592	--	359,814	--
Amounts Paid or Payable to National Secretariat		157,920	481,250	157,920	481,250
Net Fighting Fund Income and Expense	Note 4(a)	33,217	55,267	33,217	55,267
<b>TOTAL EXPENSES</b>		<b>5,616,121</b>	<b>5,126,108</b>	<b>5,749,287</b>	<b>5,125,894</b>
<b>NET PROFIT / (LOSS) FOR THE PERIOD</b>	Note 5	<b>-324,024</b>	<b>1,048,048</b>	<b>-503,930</b>	<b>837,970</b>
<b>ATTRIBUTABLE TO MEMBERS OF THE PHARMACY GUILD OF AUSTRALIA, VICTORIA</b>					

# Financial statements

For year ended 30 June 2009

		CONSOLIDATED		BRANCH	
		2009	2008	2009	2008
		\$	\$	\$	\$
<b>Balance Sheet</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	Note 15a	1,072,186	524,308	1,070,167	523,028
Receivables	Note 6	299,829	654,605	299,829	654,605
Other	Note 7	605,892	633,108	605,892	633,108
<b>TOTAL CURRENT ASSETS</b>		<b>1,977,907</b>	<b>1,812,021</b>	<b>1,975,889</b>	<b>1,810,741</b>
<b>NON-CURRENT ASSETS</b>					
Other financial assets	Note 8	3,253,863	3,431,104	3,255,903	3,432,404
Investments available for sale	Note 9	--	--	6,815,841	6,722,474
Investment properties	Note 11	3,407,921	3,361,238	--	--
Property, plant and equipment	Note 10	4,368,699	4,370,882	960,778	1,009,645
<b>TOTAL NON-CURRENT ASSETS</b>		<b>11,030,483</b>	<b>11,163,224</b>	<b>11,032,522</b>	<b>11,164,523</b>
<b>TOTAL ASSETS</b>		<b>13,008,390</b>	<b>12,975,245</b>	<b>13,008,411</b>	<b>12,975,264</b>
<b>CURRENT LIABILITIES</b>					
Trade and other payables	Note 12	2,002,916	1,522,985	2,002,936	1,523,005
Provisions	Note 13	496,764	439,618	496,764	439,618
<b>TOTAL CURRENT LIABILITIES</b>		<b>2,499,680</b>	<b>1,962,603</b>	<b>2,499,700</b>	<b>1,962,623</b>
<b>NON-CURRENT LIABILITIES</b>					
Provisions	Note 14	63,787	63,787	63,787	63,787
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>63,787</b>	<b>63,787</b>	<b>63,787</b>	<b>63,787</b>
<b>TOTAL LIABILITIES</b>		<b>2,563,467</b>	<b>2,026,390</b>	<b>2,563,487</b>	<b>2,026,410</b>
<b>NET ASSETS</b>		<b>10,444,923</b>	<b>10,948,855</b>	<b>10,444,924</b>	<b>10,948,854</b>
<b>EQUITY ATTRIBUTABLE TO MEMBERS OF THE PHARMACY GUILD OF AUSTRALIA, VICTORIA</b>					
Accumulated funds	Note 5	9,319,354	9,610,161	7,842,138	8,312,851
Reserves	Note 4	1,125,569	1,338,694	2,602,786	2,636,003
<b>TOTAL EQUITY</b>		<b>10,444,923</b>	<b>10,948,855</b>	<b>10,444,924</b>	<b>10,948,854</b>

# Financial statements

For year ended 30 June 2009

	CONSOLIDATED		BRANCH	
	2009	2008	2009	2008
	\$	\$	\$	\$
<b>Statement of Recognised Income &amp; Expense</b>				
Fair value revaluation of land and Buildings	-179,908	210,078	--	--
Impairment	--	--	--	--
Net income / (expense) recognised directly in equity	-179,908	210,078	--	--
Profit/(loss) for the period	<b>-324,024</b>	<b>1,048,048</b>	<b>-503,930</b>	<b>837,930</b>
Total recognised income & expense for the period	<b>-503,932</b>	<b>1,258,126</b>	<b>-503,930</b>	<b>837,930</b>
<b>Effect of correction of error in previous year</b>				
Profit as reported in the 2008 financial year	-324,024	837,970	-503,930	837,970
Correction of error	--	210,078	--	--
<b>Restated profit</b>	<b>-324,024</b>	<b>1,048,048</b>	<b>-503,930</b>	<b>837,970</b>

## Statement Of Cash Flows

	CONSOLIDATED		BRANCH	
	2009	2008	2009	2008
	\$ Inflows/ (Outflows)	\$ Inflows/ (Outflows)	\$ Inflows/ (Outflows)	\$ Inflows/ (Outflows)
<b>Cash Flows from Operating Activities</b>				
Receipts from Member Contributions, Commission and Member Services	6,036,352	5,226,960	6,036,448	5,226,960
Interest Received	72,416	154,442	71,620	153,858
Fighting Fund Income	--	3,694	--	3,694
Payments to Suppliers and Employees	-5,753,137	-6,172,435	-5,753,177	-6,172,341
<b>Net Cash Flows from Operating Activities</b>	<b>355,631</b>	<b>-787,339</b>	<b>354,891</b>	<b>-787,829</b>
	Note 15b			
<b>Cash Flows from Investing Activities</b>				
Dividends Received from FRED IT Group Pty Ltd	340,136	1,350,000	340,136	1,350,000
Aquisition for Property, Plant and Equipment	-147,888	-862,077	-147,888	-862,077
<b>Net Cash Flows from Investing Activities</b>	<b>192,248</b>	<b>487,923</b>	<b>192,248</b>	<b>487,923</b>
Net Increase in Cash Held	547,879	-299,416	547,139	-299,906
Add opening cash brought forward	524,308	823,724	523,028	822,934
<b>Closing cash carried forward</b>	<b>1,072,187</b>	<b>524,308</b>	<b>1,070,167</b>	<b>523,028</b>
	Note 15a			

Note 4 - Reserves

# Financial statements

For year ended 30 June 2009

## Note 1 - Summary of Significant Accounting Policies

### (a) Corporate Information

The financial report includes The Pharmacy Guild of Australia Victorian Branch and all entities controlled by the entity. The entity was formed in Australia under the *Workplace Relations Act 1996*.

### (b) Basis of preparation

The financial report is a general purpose financial report which has been prepared in accordance with applicable Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the reporting guidelines of the Industrial Registrar. The report is presented in Australian dollars and complies with the *Workplace Relations Act 1996*. This financial report has been prepared in accordance with the historical cost convention, other than investment properties and available for sale financial assets which have been measured at fair value.

### (c) New Standards and Interpretations Not Yet Adopted

Australian Accounting Standards and interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Group for the annual reporting period ending 30 June 2009. These are outlined below.

- Revised AASB 101 *Presentation of Financial Statements (2007)* introduces the term total comprehensive income, which represents changes in equity during a period other than those changes resulting from transactions with owners in their capacity as owners. Total comprehensive income may be presented in either a single statement of comprehensive income (effectively combining both the income statement and all non-owner changes in equity in a single statement) or, in an income statement and a separate statement of comprehensive income. Revised AASB 101, which becomes mandatory for the Group's 30 June 2010 financial statements, is expected to have a significant impact on the presentation of the financial statements. The Group plans to provide total comprehensive income in a single statement of comprehensive income for its 2010 financial statements.
- AASB 2008-5 *Amendments to Australian Accounting Standards* arising from the Annual Improvements Process and 2008-6 *Further Amendments to Australian Accounting Standards* arising from the Annual Improvements Process affect various AASB's resulting in minor changes for presentation, disclosure, recognition and measurement purposes. The amendments, which become mandatory for the Group's 30 June 2010 financial statements, are not expected to have a material impact on the financial statements.
- AASB7 amendments will require fair value measurements to be disclosed by the source of inputs, using the following three level hierarchy:
  - Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
  - Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2); and
  - Inputs for the asset and liability that are not based on observable market data (unobservable inputs) (level 3).

The amendments which become mandatory for the Group's 30 June 2010 financial statements are disclosure only and are not expected to have a material impact on the financial statements.

### (d) Principles of Consolidation

The consolidated accounts have been prepared by combining the Branch financial statements with the controlled entities - Pharmacy Computers Australia Pty Ltd, as Trustee for The Guild (Victoria) Computer Unit Trust and The Guild Properties (Victoria) Unit Trust. Consistent accounting policies have been employed in the preparation and presentation of the consolidated accounts. The interest in associate (FRED IT Group Pty Ltd previously PCA NU Systems Pty Ltd) is equity accounted. All other entities are accounted for at cost and are those entities which the Group has the power to govern the financial and operating policies so as to obtain benefits from their activities.

# Financial statements

For year ended 30 June 2009

The financial statements of the subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies and are fully consolidated from the date on which control is obtained. The acquisition of subsidiaries are accounted for using the purchase method.

All intercompany balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full. Minority interests not held by the Group are not material and are eliminated in full from net profit after tax in the income statement.

There are no minority interest amounts within equity or net assets in the consolidated balance sheet as all profits have been fully distributed by the subsidiary prior to consolidation.

## (e) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash.

## (f) Trade and other receivables

Trade receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment.

## (g) 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 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.

Fair values are determined using an independent valuation from an appropriately qualified valuer.

## (h) Properties, Plant & Equipment

Land and buildings are measured at fair value based on annual valuations by an external independent valuer.

Any revaluation increment is credited to the asset revaluation in reserve included in equity, except to the extent that it reverses a revaluation decrement for the same asset previously recognised in the profit and loss, in which case the increment is recognised in profit and loss.

Any revaluation decrement is recognised in profit or loss, except to the extent that it offsets a previous revaluation increment for the same asset in which case the decrement is debited directly to the asset revaluation reserve to the extent of the credit balance existing in the revaluation reserve for that asset.

All plant and equipment is measured at cost less accumulated depreciation and any accumulated impairment losses.

The carrying values of plant and equipment are reviewed for impairment triggers at each reporting date, with recoverable amount being estimated when events or 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:

	2009	2008
Plant and Equipment	5 to 15 years	5 to 15 years
Motor Vehicles	6 years	6 years

Residual values, useful lives and amortisation methods are reviewed, and adjusted if required, at each financial year end.



# Financial statements

For year ended 30 June 2009

## (i) Investment Properties – refer note 11

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which is based on active market prices as well as annual valuations by an external independent valuer. The independent valuation is based on a notional net rental on an “in use” basis for this location. Gains or losses arising from changes in the fair values of investment properties are recognised in profit and loss in the year in which they arise.

## (j) Taxes

(1) Income Tax - The Pharmacy Guild of Australia Victoria Branch 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 Balance Sheet.

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

The Pharmacy Guild conducts an annual internal review of non-financial asset values, which is used as a source of information to assess for any indicators of impairment. If any indication of impairment exists, an estimate of the asset's recoverable amount is calculated and adjusted accordingly.

Impairment testing of non-current assets is conducted on a cash generating unit basis, using a discounted cashflow.

The assets' recoverable amount is the higher of the assets' fair value and its' recoverable value in use.

## (l) Trade and Other Payables

Liabilities for trade creditors and other amounts are measured at amortised 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. The terms of trade and other payables range from 7 to 30 days. Payables to related parties are measured at amortised cost.

## (m) 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 is 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 of year end 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 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.

# Financial statements

For year ended 30 June 2009

## (n) Revenue Recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is possible that the economic benefits which flow to the group and the revenue can be reliably measured. All membership income is recognised in the appropriate financial year to which the membership relates and Government funded training is recognised on a percentage completion basis per student.

## (o) Investment in Associate

The investment in associate is accounted for using the equity method of accounting in the 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 balance sheet at cost plus post-acquisition changes in the Branch's share of the net assets of the associate adjusted for cash payments received from 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 Branch determines whether it is necessary to recognise any additional impairment loss with respect to the Branch's net investment in the associate. The consolidated income statement reflects the Branch's share of the results of operations of the associate.

The share of any post acquisition movements in reserves are recognised in the Group reserves. The accounting policies and reporting date of the associate are consistent with those of the Group.

## (p) Retrospective Restatements

### Investment Property – Guild Properties (Victoria) Unit Trust

Each year the Guild Properties (Vic) Unit Trust (of which the Pharmacy Guild of Australia Victoria Branch controls 93% of the units) has recognised annual revaluation adjustments of the investment property in an asset revaluation reserve. The adjustment to the Branch's investment in Guild Properties (Victoria) Unit Trust should have been to an investment revaluation reserve and not to an asset revaluation reserve.

AASB 140 *Investment Property* requires that all annual revaluation adjustments of an investment property are recognised in the income statement during the period that the revaluation occurs. These revaluations were incorrectly recognised by the Unit Trust in the asset revaluation reserve.

On consolidation the portion of the property occupied by the group for the supply of services and administrative purposes (50%) is reclassified as land and buildings and accounted for in accordance with Note 1(g) Property, Plant and Equipment. The remaining portion (50%) continues to be accounted for as an investment property.

30 June 2008	Previously stated \$ Dr/(Cr)	Adjustment \$ Dr/(Cr)	Restated \$ Dr/(Cr)
<b>Consolidated</b>			
<b>Income Statement</b>			
Investment property revaluation	-	(210,078)	(210,078)
<b>Balance Sheet</b>			
Asset revaluation reserve	(2,174,464)	(210,078)	
	-	1,087,232	(1,297,310)
Opening retained earnings (1 July 2007)	(7,419,614)	(1,087,232)	(8,506,846)

There is no impact on total equity as a result of the above adjustments.

### Balance Sheet Reclassifications

Reclassifications within the balance sheet have been performed to reflect the correct liquidity basis of recognition (ie. reclassifications between current and non-current assets). Certain changes have been made to ensure the prior year figures are comparable.

# Financial statements

For year ended 30 June 2009

## 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).

	CONSOLIDATED		BRANCH	
	2009	2008	2009	2008
	\$	\$	\$	\$

## Note 3

### (a) Building Costs

Light, Power and Gas	21,291	17,742	21,291	17,742
Cleaning	21,364	27,051	21,364	27,051
Insurance	39,718	43,125	39,718	43,125
Maintenance	29,765	24,983	29,765	24,983
Security	3,384	4,176	3,384	4,176
Rates and Taxes	5,481	13,052	5,481	13,052
	<b>121,003</b>	<b>130,129</b>	<b>121,003</b>	<b>130,129</b>

### (b) Other Costs

Entertainment	18,635	18,196	18,635	18,196
Temporary Wages	30,374	74,167	30,374	74,167
Computer Systems Maintenance	22,001	21,705	22,001	21,705
Software	27,269	9,409	27,269	9,409
Subscriptions	21,350	12,107	21,350	12,107
Telephone	46,252	38,499	46,252	38,499
Taxes and Duties	207	163,353	207	163,353
Other	134,798	123,600	134,798	123,506
	<b>300,886</b>	<b>461,036</b>	<b>300,886</b>	<b>460,942</b>

Other costs represent expenditure which are individually immaterial but have been grouped together.

## Note 4 - Reserves

### (a) Fighting Fund Reserve

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 2009 are held in a reserve pending future costs relating to this cause.

# Financial statements

For year ended 30 June 2009

	2009	2008
	\$	\$
<b>FIGHTING FUND RESERVE</b>		
Opening Balance 1 July 2008	41,384	96,651
Add: Interest transferred from Accumulated Funds	0	3,694
Less: Movements from Reserve	-33,217	-58,961
<b>Closing Balance as at 30 June 2009</b>	<b>8,167</b>	<b>41,384</b>

## (b) Investment Revaluation Reserve

Nature and purpose of reserve - The asset revaluation reserve was used to record increments and decrements in the value of noncurrent available for sale Investments. AASB 140 *Investment Property* requires that all annual revaluation adjustments of an investment property are recognised in the income statement during the period that the revaluation occurs. Refer to Note 1 (p) for further details.

The write down of \$359,814 was the result of expenditure incurred on air conditioning (totalling \$453,182) for the investment property with an overall valuation increase in the investment property of \$93,368. Given this is recognised on consolidation as a 50/50 split between land and buildings and investment property, the impact on the investment property is an overall impairment adjustment of \$178,908 (being the valuation increase of \$46,684 less the impairment of \$226,592).

	CONSOLIDATED		BRANCH	
	2009	2008	2009	2008
	\$	\$	\$	\$
<b>Investment Revaluation Reserve</b>				
Opening Balance as at 1 July	--	--	2,594,619	2,174,464
Net Gain / (Loss) from fair value adjustments	--	--	--	420,155
<b>Closing Balance as at 30 June</b>	<b>--</b>	<b>--</b>	<b>2,594,619</b>	<b>2,594,619</b>
<b>Asset Revaluation Reserve</b>				
Opening Balance as at 1 July	1,297,310	1,087,232	--	--
Net Gain / (Loss) from fair value adjustments	-179,908	210,078	--	--
<b>Closing Balance as at 30 June</b>	<b>1,117,402</b>	<b>1,297,310</b>	<b>--</b>	<b>--</b>
Fighting Fund Reserve	8,167	41,384	8,167	41,384
<b>Total Reserves</b>	<b>1,125,569</b>	<b>1,338,694</b>	<b>2,602,786</b>	<b>2,636,003</b>

## Note 5 - Retained Earnings

### Accumulated Funds

Balance at the beginning of the year	9,610,161	8,506,846	8,312,851	7,419,614
Net Profit (Loss) attributable to members of The Pharmacy Guild of Australia, Victoria	-324,024	1,048,048	-503,930	837,970
Transfers from Accumulated Funds to Reserve	33,217	58,961	33,217	58,961
Total available for appropriation	9,319,354	9,613,855	7,842,138	8,316,545
Transfers from Accumulated Funds to Reserve	--	-3,694	--	-3,694
<b>Balance at end year</b>	<b>9,319,354</b>	<b>9,610,161</b>	<b>7,842,138</b>	<b>8,312,851</b>

## Financial statements

For year ended 30 June 2009

	CONSOLIDATED		BRANCH	
	2009	2008	2009	2008
	\$	\$	\$	\$
<b>Note 6 - Receivables (current)</b>				
Trade Debtors	239,347	502,797	239,347	502,797
Less Impairment Provision	--	--	--	--
	<b>239,347</b>	<b>502,797</b>	<b>239,347</b>	<b>502,797</b>
Other Debtors	60,482	151,808	60,482	151,808
	60,482	151,808	60,482	151,808
	<b>299,829</b>	<b>654,605</b>	<b>299,829</b>	<b>654,605</b>
(a) Related Party Receivables	68,351	93,808	68,351	93,808

(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, with carrying values approximating their fair value.

(2) Other Debtors and other receivables are non-interest bearing and have repayment terms between 30 and 90 days.

(c) At 30 June , the ageing analysis of trade receivables is as follows:

	Total	0 -30 days	30 -60 days	60 -90 days	91 days PDNI*
<b>2009 Consolidated Parent</b>	239,347	217,272	8,005	5,488	8,581
<b>2008 Consolidated Parent</b>	502,797	187,220	228,158	64,953	22,476

\*PDNI: Past due not impaired

	CONSOLIDATED		BRANCH	
	2009	2008	2009	2008
	\$	\$	\$	\$
<b>Note 7 - Other Current Assets</b>				
Prepayments	114,816	143,930	114,816	143,930
Accrued Income	491,076	12,000	491,076	12,000
Loans	--	477,178	--	477,178
	<b>605,892</b>	<b>633,108</b>	<b>605,892</b>	<b>633,108</b>

Accrued Income comprises dividends receivable from FRED IT Group Pty Ltd, training income and other Government funded contracts yet to be received.

## Note 8- Investments in Subsidiaries and Associates

All entities are incorporated in Australia

### 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 FRED IT Group Pty Ltd	48.59%	3,253,863	3,431,104	3,080,883	3,257,384
		<b>3,253,863</b>	<b>3,431,104</b>	<b>3,255,903</b>	<b>3,432,404</b>

## Financial statements

For year ended 30 June 2009

The Branch has 100% ownership of Pharmacy Computers Australia Pty Ltd as trustee for The Guild (Victoria) Computer Unit Trust. The investment in FRED IT Group Pty Limited has been equity accounted. The share of Associate's profit is \$454,440.

The associate FRED IT Group Pty Limited is audited by another firm and was qualified on the following basis. The consolidated financial statements of FRED IT Group Pty Limited include goodwill from the acquisition of the subsidiary FRED Retail Pty Limited. The carrying value of this goodwill as at 30 June 2009 is \$839,481, being its original cost of \$1,639,481 less impairment losses recognised in the year ended 30 June 2009 of \$800,000. *AASB 136 Impairment of Assets* requires an asset to be carried at no more than its recoverable amount. The carrying amount of goodwill was assessed at reporting date to determine whether it is in excess of its recoverable amount. The auditor was unable to obtain sufficient appropriate audit evidence as to the recoverable amount of goodwill allocated to the cash generating unit of FRED Retail Pty Limited and, accordingly, has been unable to determine whether the carrying amount exceeds its recoverable amount. In the event that the carrying amount exceeds its recoverable amount, it would be necessary for the carrying amount of goodwill allocated to the FRED Retail Pty Limited cash generating unit to be written down to its recoverable amount.

The following illustrates summarised financial information relating to the Group's associate:

### Extract from the Associate's Balance Sheet

	2009	2008
	\$	\$
Current Assets	3,081,336	3,394,343
Non-Current Assets	12,723,596	10,970,618
	<u>15,804,932</u>	<u>14,364,961</u>
Current Liabilities	6,899,379	5,957,579
Non-Current Liabilities	2,262,259	2,299,342
	<u>9,161,638</u>	<u>8,256,921</u>
Net Assets	6,643,294	6,108,040
Share of Associates Net Assets (48.59%)	<u><b>3,227,977</b></u>	<u><b>2,967,896</b></u>

### Extract from the Associate's Income Statement

	2009	2008
	\$	\$
Revenue	22,046,061	20,841,300
Net Profit	1,544,576	4,329,877
Contingent liabilities relating to the associate's share of contingent liabilities incurred jointly with other investors	NIL	NIL
Guarantee of associate's bank overdraft incurred jointly with other investors	NIL	NIL

# Financial statements

For year ended 30 June 2009

	CONSOLIDATED		BRANCH	
	2009	2008	2009	2008
	\$	\$	\$	\$

## Note 9 - Investments Available for Sale

At fair value

Guild Properties (Victoria) Unit Trust	--	--	6,815,841	6,722,474
--	----	----	-----------	-----------

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 (Victoria ) Unit Trust, at \$2.061073853 per unit. There was a valuation completed at 30 June 2009. The units held within the trust are calculated at fair value.

Valuations - The fair value of the investment in Guild Properties (Victoria) Unit Trust has been determined by an independent valuation for the freehold land and building 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

### Land and Buildings

At Valuation	3,407,921	3,361,237	--	--
	<b>3,407,921</b>	<b>3,361,237</b>	--	--

### Office Furniture and Fittings

At Cost	1,572,546	1,563,865	1,476,829	1,468,148
Accumulated Depreciation	-831,952	-700,040	-736,235	-604,323
	<b>740,594</b>	<b>863,825</b>	<b>740,594</b>	<b>863,825</b>

### Branch Computer Facilities

At Cost	440,945	401,251	307,175	267,481
Accumulated Depreciation	-358,914	-326,696	-225,144	-192,926
	<b>82,031</b>	<b>74,555</b>	<b>82,031</b>	<b>74,555</b>

### Motor Vehicles

At Cost	200,011	130,182	200,011	130,182
Accumulated Depreciation	-61,858	-58,917	-61,858	-58,917
	<b>138,153</b>	<b>71,265</b>	<b>138,153</b>	<b>71,265</b>
	<b>4,368,699</b>	<b>4,370,882</b>	<b>960,778</b>	<b>1,009,645</b>

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

### Land and Buildings

At Valuation	<b>3,407,921</b>	<b>3,361,237</b>	--	--
--------------	------------------	------------------	----	----

### Office Furniture and Fittings

Carrying amount at beginning (net of accumulated depreciation)	863,825	108,918	863,825	108,798
Additions	8,681	810,318	8,681	810,318
Disposals	--	-27,500	--	-27,500
Add back accumulated depreciation from disposals	--	18,127	--	18,127
Depreciation Expense	-131,912	-46,038	-131,912	-45,918
	<b>740,594</b>	<b>863,825</b>	<b>740,594</b>	<b>863,825</b>

## Financial statements

For year ended 30 June 2009

	CONSOLIDATED		BRANCH	
	2009	2008	2009	2008
	\$	\$	\$	\$
<b>Branch Computer Facilities</b>				
Carrying amount at beginning (net of accumulated depreciation)	74,555	77,936	74,555	77,936
Additions	39,834	31,661	39,834	31,661
Disposals	--	--	--	--
Add back accumulated depreciation from disposals	--	--	--	--
Depreciation Expense	-32,358	-35,042	-32,358	-35,042
	<b>82,031</b>	<b>74,555</b>	<b>82,031</b>	<b>74,555</b>
<b>Motor Vehicles</b>				
Carrying amount at beginning (net of accumulated depreciation)	71,265	65,212	71,265	65,212
Additions	99,373	24,428	99,373	24,428
Disposals	-8,182	--	-8,182	--
Add back accumulated depreciation from disposals	1,189	--	1,189	--
Depreciation Expense	-25,492	-18,375	-25,492	-18,375
	<b>138,153</b>	<b>71,265</b>	<b>138,153</b>	<b>71,265</b>

Carrying amounts if land and buildings were measured at cost less accumulated depreciation and impairment:

	CONSOLIDATED		BRANCH	
	2009	2008	2009	2008
	Freehold Land	Freehold Buildings	Freehold Land	Freehold Buildings
	\$	\$	\$	\$
Cost	235,872	677,841	235,872	451,250
Accumulated depreciation and impairment	--	-378,457	--	-189,525
Net carrying amount	<b>235,872</b>	<b>299,384</b>	<b>235,872</b>	<b>261,725</b>

### Note 11 - Investment Properties

Opening Balance as at 1 July	3,361,237	3,151,160	--	--
Net Gain / (Loss) from fair value adjustments	46,684	210,078	--	--
Closing Balance as at 30 June	<b>3,407,921</b>	<b>3,361,238</b>	--	--

The land and buildings owned by Guild Properties (Victoria) Unit Trust is accounted for in the Unit Trust as an investment property in accordance with *AASB 140 Investment Property*.

Upon consolidation the portion of the property occupied by the group for the supply of services and administrative purposes is reclassified as land and buildings and accounted for in accordance with note 1(g) Property, Plant and Equipment. The remaining portion continues to be accounted for as an investment property.



## Financial statements

For year ended 30 June 2009

	CONSOLIDATED		BRANCH	
	2009	2008	2009	2008
	\$	\$	\$	\$
<b>Note 12 - Trade and Other Payables (current)</b>				
<b>Unsecured</b>				
Controlled Entity	--	--	20	20
Trade Creditors	777,726	971,165	777,726	971,165
Deferred Revenue	1,225,190	551,820	1,225,190	551,820
	<b>2,002,916</b>	<b>1,522,985</b>	<b>2,002,936</b>	<b>1,523,005</b>

Deferred revenue represents 2009/2010 subscriptions and other deferred revenue received prior to 30 June 2009.

Aggregate amounts payable to related parties

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

## Note 13 - Provisions

### Employee Entitlements

Annual Leave	227,175	178,394	227,175	178,394
Long Service leave	269,589	261,224	269,589	261,224
	<b>496,764</b>	<b>439,618</b>	<b>496,764</b>	<b>439,618</b>

## Note 14 - Provisions (non-current)

### Employee Entitlements

Long Service Leave	--	--	--	--
Security Deposit	63,787	63,787		
Related Party Payable	--	--	63,787	63,787
	<b>63,787</b>	<b>63,787</b>	<b>63,787</b>	<b>63,787</b>

## 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. 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	516,401	437,422	515,121	436,632
Deposits at Call	7,907	386,302	7,907	386,302
	<b>524,308</b>	<b>823,724</b>	<b>523,028</b>	<b>822,934</b>

### Cash at End of the Year

Cash	1,053,642	516,401	1,051,622	515,121
Deposits at Call	18,545	7,907	18,545	7,907
	<b>1,072,187</b>	<b>524,308</b>	<b>1,070,167</b>	<b>523,028</b>

# Financial statements

For year ended 30 June 2009

	CONSOLIDATED		BRANCH	
	2009	2008	2009	2008
	\$	\$	\$	\$
<b>(b) Reconciliation of operating profit / (loss) after tax to the net cash flows from operations:</b>				
Operating profit / (loss) after tax	-324,024	1,048,048	-503,930	837,970
Depreciation / Amortisation of plant and equipment	189,622	104,497	189,622	104,377
Impairment of land and buildings	226,592	--	359,184	--
(Gain) / loss on revaluation of investment property	-46,684	-210,078	-93,376	--
(Gain) / loss on sale of assets	-1,190	--	-1,190	--
Dividend classified as investment cash flow	-454,440	-1,553,875	-455,180	-1,554,245
<b>Changes in assets and liabilities</b>				
Receivables and other current assets - (increase) / decrease	354,776	-175,405	354,776	-175,405
Prepayments - (increase) / decrease	27,216	-580,028	27,216	-580,028
Trade and other payables - increase / (decrease)	326,617	490,004	420,623	489,634
Employee entitlements - increase / (decrease)	57,146	38,554	57,146	38,554
Non current provisions - increase (decrease)	--	51,144	--	51,314
Net cash flow from operating activities	<b>355,631</b>	<b>-787,139</b>	<b>354,891</b>	<b>-787,829</b>

## Note 16 - Related Party Disclosures

### a) Director and executive disclosure

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

B Baxter and R Gymer resigned at the completion of their term on 30th September, 2008. A Tassone and R Kilpatrick were elected onto the Branch Committee on 1st October, 2008.

**The Pharmacy Guild of Australia, Victoria** - D R Sanghvi (President, Director of Goldcross Products & Services Pty Ltd and Guild Insurance Limited) , A Tassone, R. Kilpatrick, 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 (Branch Committee and Director), P Krassar, G Tambassis, M V Sheehan (Branch Director)

**FRED IT Group Pty Limited** - W J Scott (Director FRED IT Group Pty Limited), R J C Foster (Director FRED IT Group Pty Limited)

### Compensation of Key Management Personnel

The aggregate amount of remuneration received or receivable for key Management Personnel, being the President, Branch Director and Branch Committee.

#### Consolidated and Branch

	2009	2008
	\$	\$
Short-term employee benefits	377,590	358,011
Post-employment benefits	--	--
Other Long-term benefits	94,018	73,281
Termination benefits	--	--
<b>Total Compensation</b>	<b>471,608</b>	<b>431,292</b>

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.

# Financial statements

For year ended 30 June 2009

	2009	2008
	\$	\$
<b>(b) Balances between the Branch with Related Parties</b>		
(i) Amounts payable to Related Parties		
<b>Other Branches - Current</b>		
The Pharmacy Guild of Australia (National Secretariat)	157,920	2,638
The Pharmacy Guild of Australia (WA)	--	1,921
<b>Other Related Parties - Current</b>		
Guild Insurance Limited	--	4,905
(ii) Amounts Receivable from Related Parties.		
<b>Other Branches - Current</b>		
The Pharmacy Guild of Australia (National Secretariat)	13,339	16,561
Gold Cross Products and Services Pty Ltd	33,464	59,094
The Pharmacy Guild of Australia (NSW)	440	6,285
The Pharmacy Guild of Australia (Tasmania)	1,818	11,868
Australian College of Pharmacy Practice, Victorian Branch	19,290	--
<b>Other Related Parties - Current</b>		
Guild Insurance Limited	42,342	89,069
Guild Properties (Victoria) Unit Trust	--	477,178

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

Party	Type of Transaction	Terms	2009	2008
			\$	\$
<b>Other Branches</b>				
The Pharmacy Guild of Australia National Secretariat	Membership contributions paid by Victorian Branch	58.08% of gross membership fees received	957,365	844,491
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	93,416	120,342
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	--	1,746
<b>Other Related Parties</b>				
<b>Subsidiaries of The Pharmacy Guild of Australia</b>				
Guild Insurance Limited	Commission received from Guild Insurance for business referred from Victorian Branch members	Percentage of business received. Calculated on normal commercial terms	384,755	369,572
The Guild Properties (Victoria) Unit Trust	Distribution received by Victorian Branch as interest on units held in Guild Properties (Victoria) Unit Trust	Normal Commercial Terms	300,935	212,394
	Building costs & maintenance paid by Victorian Branch to Guild Properties Company Ltd [Trustee Company of Guild Properties (Victoria) Trust] as tenants of "Guild Unit Trust" as tenants of "Guild", a property owned by the unit trust.	Normal Commercial Terms	142,624	119,628

# Financial statements

For year ended 30 June 2009

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

During the year The Guild (Victoria) Computer Unit Trust paid nil (2008 Nil) to the unit holder, The Pharmacy Guild of Australia, Victorian Branch. Total distribution for the year was nil (2008 Nil).

As at balance date \$3,080,883 (2008 \$3,257,384) is owing to the Pharmacy Guild of Australia, Victorian Branch.

The Pharmacy Guild of Australia, Victorian Branch owe The Guild (Victoria) Computer Unit Trust \$20 (2008 \$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. The Committee of Management's overall risk management strategy seeks to meet financial targets whilst minimising potential adverse effects on financial performance as a result of a movement in interest rates or a change in the return of investments. The Committee of Management reviews on a regular basis the financial risk exposure and evaluates management's budgets and strategies in the context of the most recent economic conditions and forecast. Risk management policies and future cash flow forecasts are also reviewed by key management personnel.

### b) Interest Rate Risk

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

The Group's exposure to market interest rates relates primarily to the Group's cash and short term deposits. The Group regularly analyses its interest rate exposure with consideration given to the mix of fixed and variable interest rates achievable on the cash balances and short term deposits.

	Average Interest Rate %	Variable Interest \$	Fixed Interest Rate \$	Non Interest Bearing \$	Total \$
<b>2009</b>					
<b>Financial Assets</b>					
Cash	3.5	1,053,641	--	--	1,053,641
Trade Receivables		--	--	239,347	239,347
Other Receivables		--	--	60,482	60,482
Other Current Assets		--	--	605,892	605,892
Short Term Deposits	4.0	--	18,545	--	18,545
		<b>1,053,641</b>	<b>18,545</b>	<b>905,721</b>	<b>1,977,907</b>
<b>Financial Liabilities</b>					
Trade Payables		--	--	777,726	777,726
Other liabilities		--	--	1,225,190	1,225,190
Employee entitlements and Deposits		--	--	560,551	560,551
		--	--	<b>2,563,467</b>	<b>2,563,467</b>

# Financial statements

For year ended 30 June 2009

	Average Interest Rate %	Variable Interest \$	Fixed Interest Rate \$	Non Interest Bearing \$	Total \$
<b>2008</b>					
<b>Financial Assets</b>					
Cash	6.6	516,402	--	--	516,402
Trade Receivables		--	--	502,797	502,797
Other Receivables		--	--	151,808	151,808
Other Current Assets		--	--	633,108	633,108
Short Term Deposits	6.95	--	7,906	--	7,906
		<b>516,402</b>	<b>7,906</b>	<b>1,287,713</b>	<b>1,812,021</b>
<b>Financial Liabilities</b>					
Trade Payables		--	--	971,164	971,164
Other liabilities		--	--	551,820	551,820
Employee entitlements and Deposits		--	--	503,405	503,405
		--	--	<b>2,026,389</b>	<b>2,026,389</b>

## (c) Capital Management and Liquidity Risk

The Pharmacy Guild of Australia Victoria Branch's financial instruments consist of deposits with banks and accounts receivable and payable. Branch funds are invested in accordance with The Pharmacy Guild of Australia's Constitution whereby all monies are deposited with an accredited bank. The Branch manages liquidity risk (arising from the receipt of member subscriptions) by monitoring forecast cash flows and ensuring that adequate surplus funds are maintained to meet financial obligations.

When managing capital, The Pharmacy Guild of Australia Victoria Branch's objective is to ensure that the organisation continues as a going concern as well as to maintain optimal benefits for stakeholders. The Pharmacy Guild of Australia Victoria Branch also aims to maintain a capital structure that ensures the lowest cost of capital available to the organisation.

The Pharmacy Guild of Australia, Victoria's is not subject to any externally imposed capital requirements.

	CONSOLIDATED		BRANCH	
	2009	2008	2009	2008
	\$	\$	\$	\$
<b>Maturity analysis of liquidity risk based on management's expectations</b>				
Trade and other payables expected to be paid as follows:				
- less than 6 months	1,004,901	1,149,559	1,004,921	1,149,579
- 6 months to 1 year	--	--	--	--
- 1 year to 5 years	269,589	261,224	269,589	261,224
- greater than 5 years	63,787	63,787	63,787	63,787
	<b>1,338,277</b>	<b>1,474,570</b>	<b>1,338,297</b>	<b>1,474,590</b>
<b>Unearned income *</b>	<b>1,225,190</b>	<b>551,820</b>	<b>1,225,190</b>	<b>551,820</b>

\*Unearned income is not included in the above amounts to be paid as it relates to income received in advance for membership subscriptions

## Financial statements

For year ended 30 June 2009

### (d) Credit Risk

The Pharmacy Guild of Australia Victoria Branch continuously monitors defaults by customers and other counterparties and incorporates this information into its credit risk controls. The Pharmacy Guild of Australia Victoria Branch's management considers that all of the above financial assets are not impaired for each reporting date and are of good quality, including those past due.

The credit risk for liquid funds is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

In respect of trade and other receivables, the Pharmacy Guild of Australia Victoria Branch is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Current trade and term receivables are 30 day terms except for branch membership subscriptions which members can elect to pay by instalments in accordance with the Constitution. No terms have been renegotiated during the year.

No provisioning or write-offs have been necessary during the current year. A provision for impairment is recognised when there is an objective evidence that an individual trade or term receivable is impaired.

No trade and other receivables are deemed to be impaired. Collateral is not held as security, nor is it the The Pharmacy Guild of Australia Victoria Branch's policy to transfer (on-sell) receivables. In addition some of the unimpaired trade receivables are past due as at reporting date. The ageing of financial assets past due is as follows, and is presented as viewed by management.

	Profit Higher/ (Lower) 2009 \$	Profit Higher/ (Lower) 2008 \$
<b>Consolidated</b>		
+1% (100 basis points)	10,722	5,243
-0.5% (50 basis points)	(5,361)	-2,621
<b>Parent</b>		
+1% (100 basis points)	10,702	5,230
-0.5% (50 basis points)	(5,351)	-2,615
	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
0-30 days	217,272	187,220
31-60 days	8,005	228,158
61-90 days PDNI*	5,488	64,943
+91 days PDNI*	8,582	22,476
+91 days CI*		-
	<u>238,347</u>	<u>502,797</u>

PDNI\* Past due not considered impaired

CI\* Considered Impairment

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts, as disclosed in the balance sheet and notes to the financial statements. The organisation has material credit risk exposure within the pharmaceutical industry under financial instruments entered into by the organisation.

# Financial statements

For year ended 30 June 2009

	CONSOLIDATED		BRANCH	
	2009	2008	2009	2008
	\$	\$	\$	\$

## (e) Sensitivity Analysis

The following sensitivity analysis is based on the interest rate risk exposures in existence at the balance date. At 30 June 2009, if interest rates had moved, as illustrated in the table below, with all other variables held constant, profit would have been affected as follows:

## (f) Other risks

The Group is not exposed to foreign currency risk or price risk. Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents, trade and other receivables. The Group's exposure to credit risk arises from potential default of the counterparty with a maximum exposure to the carrying amount of the finance assets (as outlined in each applicable note). Liquidity risk arises from the financial liabilities of the Group's subsequent ability to meet their obligations and to repay their financial liabilities as and when they fall due. This is managed on regular basis.

## Note 18 - Subsequent Events

There have been no significant events which have occurred subsequent to 30 June 2009.

## Note 19 - Contingent Liabilities and Commitments

(a) Contingent Liabilities - There are no contingent liabilities as at 30 June 2009 (2008 Nil).

(b) Commitments - There are no commitments as at 30 June 2009 (2008 Nil).

## Note 20 - Auditor's Remuneration

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

Auditing the accounts	39,797	39,272	39,797	39,272
Amounts received or due and receivable by others for:				
Accounting services	5,420	--	5,420	--
	<u>45,217</u>	<u>39,272</u>	<u>45,217</u>	<u>39,272</u>



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## Independent auditor's report to the Members of The Pharmacy Guild of Australia - Victoria Branch

We have audited the accompanying financial report of The Pharmacy Guild of Australia - Victoria Branch (the Guild), which comprises the balance sheet as at 30 June 2009, 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 Committee of Management Statement of the consolidated entity comprising the Guild and the entities it controlled at the year's end or from time to time during the financial year.

### Branch Committee Members' Responsibility for the Financial Report

The Branch Committee Members of the Guild are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and with the *Workplace Relations Act 1996*. 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 Members', 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

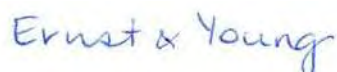
In conducting our audit we have met the independence requirements of the Australian professional accounting bodies.

### Basis for Auditor's Qualified Opinion

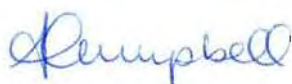
The financial report includes a profit from associate (FRED IT Group Pty Limited) of \$454,440. FRED IT Group Pty Limited's financial report includes goodwill from the acquisition of a subsidiary FRED Retail Pty Limited. The carrying value of this goodwill as at 30 June 2009 is \$839,481, being its original cost of \$1,639,481 less impairment losses recognised in the year ended 30 June 2009 of \$800,000. AASB 136 *Impairment of Assets* requires an asset to be carried at no more than its recoverable amount. We have been unable to obtain sufficient appropriate audit evidence as to the recoverable amount of goodwill allocated to the cash generating unit of FRED Retail Pty Limited and, accordingly, we have been unable to determine whether the carrying amount exceeds its recoverable amount. In the event that the carrying amount exceeds its recoverable amount, it would be necessary for the carrying amount of goodwill of the associate to be written down to its recoverable amount. The impact would be a reduction in profit for FRED IT Group Pty Limited and the resulting profit from associate and investment recognised in The Guild would be reduced to the extent of The Guild's share of any additional impairment.

### Qualified Auditor's Opinion

In our opinion, except for the effects of such adjustments to the profit from associate and to the carrying value of the investment in associate, if any, as might have been determined to be necessary had we been able to satisfy ourselves as to the carrying amount of goodwill in the associate, the financial report presents fairly, in all material respects, the financial position of The Pharmacy Guild Australia - Victoria Branch and the consolidated entity as of 30 June 2009, and of its financial performance and cash flows for the year then ended in accordance with the *Workplace Relations Act 1996*, including Australian Accounting Standards (including the Australian Accounting Interpretations)



Ernst Young



Fiona M Campbell  
Melbourne  
11 September 2009

# Financial statements

For year ended 30 June 2009

## Operating Report

I, DIPAK RAJNIKANT SANGHVI, being the designated officer responsible for preparing this report for the financial year ended 30 June 2009 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:

NIL

(e) Prescribed and other Information:

- (i) As at 30 June 2009, to which this report relates, the number of members of the organisation were 907, including honorary life members.

As at 30 June 2009, the total number of employees employed by the reporting entity was 37.

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
Mr R Kilpatrick	Mr A Tassone		

(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

11 September 2009

# Financial statements

For year ended 30 June 2009

## COMMITTEE OF MANAGEMENT STATEMENT

On 11th September 2009, 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 2009..

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 2009
- (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: .....