



FAIR WORK  
AUSTRALIA

14 January 2010

Mr Harold Zafer  
President  
The Pharmacy Guild of Australia, Western Australian Branch

email: [reception@wa.guild.org.au](mailto:reception@wa.guild.org.au)

Dear Mr Zafer

**Re: Financial Reports for The Pharmacy Guild of Australia, Western Australian Branch for years ended 30 June 2006, 2007 and 2008 – FR2006/443, FR2007/429 & FR2008/360**

I acknowledge receipt of amended financial reports for The Pharmacy Guild of Australia, Western Australian Branch (the Branch) for the years ended 30 June 2006, 2007 and 2008. The reports were lodged with Fair Work Australia on 8 January 2010.

I note that these reports have previously been filed by Fair Work Australia and that the Branch wishes to lodge copies that contain an amendment to note 1a – Income Tax. The amended documents have been placed on a Fair Work Australia file.

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

Yours sincerely

Kevin Donnellan

Tribunal Services and Organisations

Fair Work Australia

Email: [kevin.donnellan@fwa.gov.au](mailto:kevin.donnellan@fwa.gov.au)

THE PHARMACY GUILD OF AUSTRALIA  
WESTERN AUSTRALIAN BRANCH

FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2006

PHARMACY GUILD OF AUSTRALIA  
WESTERN AUSTRALIAN BRANCH

COMMITTEE OF MANAGEMENT STATEMENT

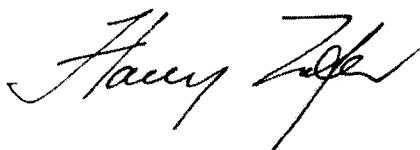
On 21 August 2006 the Committee of Management of the Pharmacy Guild of Australia WA Branch passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30 June 2006:

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

- (a) The financial statements and notes comply with the Australian Accounting Standards;
- (b) The financial statements and notes comply with the reporting guidelines of the Industrial Registrar;
- (c) The financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) There are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (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 organization including the rules of a branch concerned; and
  - ii. The financial affairs of the reporting unit have been managed in accordance with the rules of the organization including the rules of a branch concerned; and
  - iii. The financial records of the reporting unit have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
  - iv. Where the organization consists of 2 or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organization; and
  - v. The information sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the member or Registrar; and
  - vi. There has been compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.

For Committee of Management: Harold Denis Zafer

Title of Office Held: President



Signature

Dated 21 August 2006

# PHARMACY GUILD OF AUSTRALIA WESTERN AUSTRALIAN BRANCH

## OPERATING REPORT

I, HAROLD DENIS ZAFER, being the designated officer responsible for preparing this report for the financial year ended 30 June 2006 of The Pharmacy Guild of Australia Western Australian Branch, report as follows:

1. Principal Activities:

- a) The Pharmacy Guild of Australia Western Australian Branch is an employers' organisation servicing the needs of proprietors of independent community pharmacies and to represent their interests in industrial matters.
- b) The Pharmacy Guild of Australia Western Australian 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.
- c) Included in the Annual Report are the various reports compiled by The Pharmacy Guild of Australia Western Australian Branch's President and Director outlining the activities for the year. There were no significant changes in the nature of these activities during the year under review.

2. Significant financial changes:

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

3. Members Advice:

- a) Under Section 174 of the Registration and Accountability of Organisations schedule, (RAO), a member may resign from a membership by written notice addressed and delivered to the Branch Director (Rule 36 of the Constitution);
- b) The register of members of the organization was maintained in accordance with the RAO;
- c) Section 272 of the RAO outlines members and the registrar's rights to certain prescribed information.

4. Prescribed and other Information:

- a) As at 30 June 2006 to which this report relates the number of members of the organisation was 467 including Honorary Life Members;
- b) As at 30 June 2006 the total number of employees employed by the reporting entity was 12.
- c) The persons who have been members of the committee of management of The Pharmacy Guild of Australia Western Australian Branch during the reporting period are:

Branch Executive

Harry Zafer

Lenette Mullen

Glenn Joyce

Adrian Hinds

President

Vice President Finance

National Councillor

Vice President

Vice President

PHARMACY GUILD OF AUSTRALIA  
WESTERN AUSTRALIAN BRANCH

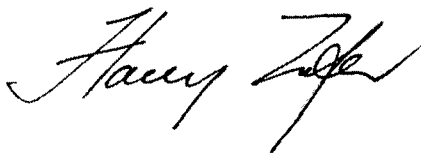
OPERATING REPORT CONTINUED

Branch Committee

Adrian Hinds	Great Southern Country
Vivien Hudson	North Coast Metro
Glenn Joyce	South Eastern Metro
John Rees	Eastern Country
Ross McKay	Northern Country District
Lenette Mullen	Fremantle Melville
Ernie Pirone	Northern Metro
Michael Rollings	Perth City
Rob Rose	South Coastal Metro
Adrian Staltari	Eastern Metropolitan
Natalie Willis	South Perth Metro
Stephen Wragg	North Eastern Metro
Harry Zafer	West Coast Metro
Vacant	South West Country

5. Insurance of Officers:

During the financial year, The Pharmacy Guild of Australia Western Australian Branch paid insurance to cover all officers of The Pharmacy Guild of Australia Western Australian Branch. The officers of Pharmacy Guild of Australia Western Australian Branch covered by the insurance policy include all the committees of management. Other officers covered by the contract are the management of The Pharmacy Guild of Australia Western Australian 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 Western Australian Branch



HAROLD DENIS ZAFER  
Date: 21 August 2006

PHARMACY GUILD OF AUSTRALIA  
WESTERN AUSTRALIAN BRANCH

INCOME STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2006

	NOTE	2006 \$	2005 \$
Revenue	3	2,833,052	2,817,701
Employee benefits expense		(557,088)	(589,657)
Depreciation and amortisation expense		(42,118)	(49,628)
Other expenses		(1,987,770)	(2,071,041)
		<hr/>	<hr/>
Profit for the year		246,076	107,375
		<hr/>	<hr/>

The accompanying notes form part of these financial statements.

PHARMACY GUILD OF AUSTRALIA  
WESTERN AUSTRALIAN BRANCH

BALANCE SHEET  
AS AT 30 JUNE 2006

	NOTE	2006 \$	2005 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	1,176,503	867,315
Trade and other receivables	6	989,034	187,457
Inventories	7	2,486	4,670
Other current assets	8	79,821	46,193
		<hr/>	<hr/>
Total Current Assets		2,247,844	1,105,635
		<hr/>	<hr/>
<b>NON CURRENT ASSETS</b>			
Trade and other receivables	6	24,872	24,872
Property, plant and equipment	9	1,707,123	1,698,541
		<hr/>	<hr/>
Total Non Current Assets		1,731,995	1,723,413
		<hr/>	<hr/>
<b>TOTAL ASSETS</b>		<b>3,979,839</b>	<b>2,829,048</b>
		<hr/>	<hr/>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	1,333,708	457,399
Short term provisions	11	16,240	43,670
		<hr/>	<hr/>
Total Current Liabilities		1,349,948	501,069
		<hr/>	<hr/>
<b>NON CURRENT LIABILITIES</b>			
Long term provisions	11	25,836	-
		<hr/>	<hr/>
Total Non Current Liabilities		25,836	-
		<hr/>	<hr/>
<b>TOTAL LIABILITIES</b>		<b>1,375,784</b>	<b>501,069</b>
		<hr/>	<hr/>
<b>NET ASSETS</b>		<b>2,604,055</b>	<b>2,327,979</b>
		<hr/>	<hr/>
<b>EQUITY</b>			
Reserves		719,996	689,996
Retained earnings		1,884,059	1,637,983
		<hr/>	<hr/>
<b>TOTAL EQUITY</b>		<b>2,604,055</b>	<b>2,327,979</b>
		<hr/>	<hr/>

The accompanying notes form part of these financial statements.

PHARMACY GUILD OF AUSTRALIA  
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STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2006

	Retained Earnings General	Retained Earnings Special Projects	Capital Equipment Replacement Reserve	Asset Revaluation Reserve	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2004	434,198	1,096,410	32,036	627,960	2,190,604
Profit for the year	12,555	94,820	-	-	107,375
Transfer from general funds	-	-	30,000	-	30,000
Revaluation decrement					
<b>Balance at 30 June 2005</b>	<b>446,753</b>	<b>1,191,230</b>	<b>62,036</b>	<b>627,960</b>	<b>2,327,979</b>
Profit for the year	141,353	104,723	-	-	246,076
Transfer from general funds	-	-	30,000	-	30,000
<b>Balance at 30 June 2006</b>	<b>588,106</b>	<b>1,295,953</b>	<b>92,036</b>	<b>627,960</b>	<b>2,604,055</b>

The accompanying notes form part of these financial statements.



PHARMACY GUILD OF AUSTRALIA  
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CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2006

	NOTE	2006 \$	2005 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from members		2,991,672	2,209,592
Payments to suppliers and employees		(2,700,366)	(2,516,367)
Interest received		62,784	62,236
		<hr/>	<hr/>
Net cash provided by operating activities	16	354,090	(244,539)
		<hr/>	<hr/>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of property, plant & equipment		-	20,000
Purchase of property, plant & equipment		(44,902)	(356,882)
		<hr/>	<hr/>
Net cash provided by (used in) investing activities		(44,902)	(336,882)
		<hr/>	<hr/>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings		-	10,000
		<hr/>	<hr/>
Net cash provided by (used in) financing activities		-	10,000
		<hr/>	<hr/>
Net increase/(decrease) in cash held		309,188	(571,421)
		<hr/>	<hr/>
Cash at beginning of the year		867,315	1,438,736
		<hr/>	<hr/>
Cash at end of year	5	1,176,503	867,315
		<hr/> <hr/>	<hr/> <hr/>

The accompanying notes form part of these financial statements.

# PHARMACY GUILD OF AUSTRALIA WESTERN AUSTRALIAN BRANCH

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

### 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Associations Incorporations Act Western Australia.

The financial report covers Pharmacy Guild of Australia Western Australian Branch as an individual entity. Pharmacy Guild of Australia Western Australian Branch is an association incorporated in WA under the Associations Incorporations Act Western Australia.

The financial report of the Pharmacy Guild of Australia Western Australian Branch as an individual entity complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

The following is a summary of the material accounting policies adopted by the association in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

#### Basis of preparation

##### *First time Adoption of Australian Equivalents to International Financial Reporting Standards*

Pharmacy Guild of Australia Western Australian Branch has prepared financial statements in accordance with the Australian equivalents to International Financial Reporting Standards (AIFRS) from 1 July 2005.

In accordance with the requirements of AASB 1: First-time Adoption of Australian Equivalents to International Financial Reporting Standards, adjustments to the parent entity and consolidated entity accounts resulting from the introduction of AIFRS have been applied retrospectively to 2005 comparative figures excluding cases where optional exemptions available under AASB 1 have been applied.

These accounts are the first financial statements of Pharmacy Guild of Australia Western Australian Branch to be prepared in accordance with AIFRS.

The accounting policies set out below have been consistently applied to all years presented. The entity has however elected to adopt the exemptions available under AASB 1 relating to AASB 132: Financial Instruments: Disclosure and Presentation, and AASB 139: Financial Instruments: Recognition and Measurement.

Reconciliations of the transition from previous Australian GAAP to AIFRS have been included in Note 2 to this report.

##### *Reporting Basis and Conventions*

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

**PHARMACY GUILD OF AUSTRALIA  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2006**

Accounting policies

a. Income Tax

The Guild is currently exempt from income tax under Section 50-15 of the Income Tax Assessment Act 1997.

b. Inventories

Inventories consist of stock of unsold product, valued at the lower of cost or net realisable value. The cost of inventories includes all direct costs of acquisition. Costs are assigned on the basis of average cost.

c. Property, plant & equipment

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

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by the committee to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The depreciable amount of plant and equipment is depreciated on a straight line basis over their useful lives to the association commencing from the time the asset is held ready for use.

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

Office equipment	15%
Office furniture	10%
Motor vehicles	15%
Computer equipment	33 1/3%
Structural improvements	2.5%

d. Leases

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

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

PHARMACY GUILD OF AUSTRALIA  
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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2006

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

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

e. Impairment of assets

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

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

f. Employee Benefits

Provision is made for the association's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by the association to employee superannuation funds and are charged as expenses when incurred.

g. Training administration fee

The training administration fee liability represents the amount refundable to employer members for the training administration fee originally charged to employer members.

h. Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2006

i. Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Dividend revenue is recognised when the right to receive a dividend has been established.

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

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

j. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

k. Comparative Figures

Where requested by Accounting Standards comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Critical accounting estimates and judgments

The committee members evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the association.

Key estimates – Impairment

The association assesses impairment at each reporting date by evaluating conditions specific to the association that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

PHARMACY GUILD OF AUSTRALIA  
WESTERN AUSTRALIAN BRANCH

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2006

2. FIRST TIME ADOPTION OF AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

On transition to AIFRS, there are no adjustments to equity or profit and loss between previous Australian GAAP and AIFRS.

	2006 \$	2005 \$
<b>3. REVENUE</b>		
Operating Activities		
• General fund revenue	2,528,740	2,536,349
• Special project fund revenue	241,528	219,116
• Interest received – general fund	48,880	38,955
• Interest received - special project fund	13,904	23,281
	2,833,052	2,817,701
Non-operating Activities		
	-	-
Total revenue	2,833,052	2,817,701

A detailed income and expenditure statement follows at the end of this financial report.

**4. AUDITORS REMUNERATION**

Remuneration of the auditor for:

Auditing or reviewing the financial report	6,900	5,900
Other services	-	-
	6,900	5,900
	6,900	5,900

**5. CASH AND CASH EQUIVALENTS**

Cash at bank and in hand	1,176,503	867,315
Short term bank deposits	-	-
	1,176,503	867,315
	1,176,503	867,315

PHARMACY GUILD OF AUSTRALIA  
WESTERN AUSTRALIAN BRANCH

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2006

	2006	2005
	\$	\$
<b>Reconciliation of cash</b>		
Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:-		
Cash and cash equivalents - general	898,482	666,793
Cash and cash equivalents – special projects fund	278,021	200,522
Bank overdrafts	-	-
	1,176,503	867,315
	1,176,503	867,315
 <b>6. TRADE AND OTHER RECEIVABLES</b>		
<b>CURRENT</b>		
Trade & other debtors	951,918	188,457
Internet fraud recovery due	37,116	-
	989,034	188,457
Less provision for doubtful debts	-	(1,000)
	989,034	187,457
	989,034	187,457
 <b>NON CURRENT</b>		
Loan to Guild Shield Chemists	24,872	24,872
	24,872	24,872
 <b>7. INVENTORIES</b>		
<b>CURRENT</b>		
Stocks of stationery, packaging and signs	2,486	4,670
	2,486	4,670
 <b>8. OTHER CURRENT ASSETS</b>		
Prepayments	79,821	32,771
Accrued income	-	13,422
	79,821	46,193
	79,821	46,193

PHARMACY GUILD OF AUSTRALIA  
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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2006

	2006	2005
	\$	\$
<b>9. PROPERTY, PLANT &amp; EQUIPMENT</b>		
<b>Land &amp; buildings</b>		
At independent valuation 2003	1,300,000	1,300,000
<b>Office furniture &amp; equipment</b>		
At cost	712,911	668,009
Accumulated depreciation	(363,666)	(339,940)
	349,245	328,069
<b>Motor vehicles</b>		
At cost	85,827	85,827
Accumulated amortisation	(27,949)	(15,355)
	57,878	70,472
Total plant & equipment	407,123	398,541
Total property, plant & equipment	1,707,123	1,698,541

The association's land & buildings were revalued in 2003 by independent valuers. Valuations were made on the basis of open market value. The revaluation surplus was credited to an asset revaluation reserve in the equity section of the balance sheet. No deferred tax was provided on the revaluation as the association is exempt from taxation under the principle of mutuality.

Subsequent to balance date the association has engaged an independent valuation of land & buildings by licenced valuer Ray Gourlay. Based on the valuation the association intends to revalue land and buildings to \$1,825,000 in the 2007 financial year.



PHARMACY GUILD OF AUSTRALIA  
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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2006

Movement in carrying amounts

Movements in carrying amounts for each class of property, plant & equipment between the beginning and the end of the current financial year.

	Land & buildings \$	Office furniture & equipment \$	Motor vehicles \$	Total \$
Balance at the beginning of year	1,300,000	328,068	70,472	1,698,540
Additions	-	50,700	-	50,700
Disposals	-	-	-	-
Revaluation decrement	-	-	-	-
Depreciation & amortisation expense	-	(29,523)	(12,594)	(42,117)
Carrying amount at the end of year	<u>1,300,000</u>	<u>349,245</u>	<u>57,878</u>	<u>1,707,123</u>

2006  
\$                      2005  
\$

10. TRADE & OTHER PAYABLES  
CURRENT

Trade payables	116,110	146,151
Refunds due to members	-	402
Training administration fees	22,680	39,900
Income received in advance	1,102,932	270,946
Accrued expenses	12,500	-
Accrued GST	79,486	-
	<u>1,333,708</u>	<u>457,399</u>

PHARMACY GUILD OF AUSTRALIA  
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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2006

11. PROVISIONS

	Annual leave \$	Long service leave \$	Total \$
Opening balance at 1 July 2005	34,686	8,984	43,670
Additional provisions	30,447	1,772	1,772
Amounts used	(33,813)	-	(3,366)
	31,320	10,756	42,076
	31,320	10,756	42,076

Analysis of total provision

	2006 \$
Current	16,240
Non current	25,836
	42,076
	42,076

Provision for long term employee benefits

A provision has been recognised for employee entitlements relating to long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits has been included in Note 1 to this report.

2006	2005
\$	\$

12. CAPITAL & LEASING COMMITMENTS

Operating lease commitments

Payable – minimum lease payments

- not later than 12 months	2,835	11,339
- between 12 months & 5 years	-	2,835
- greater than 5 years	-	-
	2,835	14,174
	2,835	14,174

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2006

	2006	2005
	\$	\$
<b>13. CONTINGENT LIABILITIES AND CONTINGENT ASSETS</b>		
Estimates of the potential effect of contingent liabilities that may become payable:	-	-
	=====	=====
<b>14. EVENTS AFTER THE BALANCE SHEET DATE</b>		
Since balance date the association has revalued land & buildings to \$1,825,000 (refer to note 9).		
No other significant events have occurred subsequent to the reporting date.		
<b>15. RELATED PARTY TRANSACTIONS</b>		
There have been no material transactions with key management personnel or related parties.		
<b>16. CASHFLOW INFORMATION</b>		
Reconciliation of cash flow from operations with profit from ordinary activities after Income tax:		
Profit after income tax	246,076	107,375
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit		
- Depreciation and amortisation	42,118	49,628
- Net loss/(profit) on disposal of plant and equipment	(336)	5,362
- Depreciation adjustments	(5,462)	-
Changes in assets and liabilities		
- (Increase)/decrease in trade and term debtors	(801,577)	502,879
- (Increase)/decrease in prepayments	(47,050)	(2,393)
- (Increase)/decrease in accrued income	13,422	-
- (Increase)/decrease in inventories	2,184	(16,812)
- Increase/(decrease) in trade and other payables	796,823	(925,530)
- Increase/(decrease) in employee benefits	(1,594)	4,952
- Increase/(decrease) in accrued GST	79,486	-
- Transfer to capital equipment replacement reserve	30,000	30,000
	-----	-----
Cash flow from operations	354,090	(244,539)
	=====	=====

PHARMACY GUILD OF AUSTRALIA  
WESTERN AUSTRALIAN BRANCH

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2006

17. FINANCIAL INSTRUMENTS

a. Financial risk management

i. Treasury risk management

The association has no interest bearing borrowings and therefore has no current interest rate exposure.

ii. Financial risks

The main risks the association is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

*Interest rate risk*

Interest rate risk is managed with a mixture of fixed and floating interest bearing investments.

*Foreign currency risks*

The association is not exposed to fluctuations in foreign currencies.

*Liquidity risk*

The association manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised facilities are maintained.

*Credit risk*

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 impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

The association does not have any material credit risk exposure to any one single receivable or group of receivables under financial instruments entered into by the association.

*Price risk*

The association is not exposed to any material commodity price risk.

**PHARMACY GUILD OF AUSTRALIA  
WESTERN AUSTRALIAN BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2006**

**b. Interest rate risk**

The association's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities, is as follows:

	Floating interest rate \$		Fixed interest rate maturing within 1 year \$		Fixed interest rate maturing 1 to 5 years \$		Non interest bearing \$	
	2006	2005	2006	2005	2006	2005	2006	2005
<b>Financial assets</b>								
Cash & cash equivalents	1,176,503	867,315	-	-	-	-	-	-
Short term deposits	-	-	-	-	-	-	-	-
<b>Total financial assets</b>	<b>1,176,503</b>	<b>867,315</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

The weighted average effective interest rate of financial instruments held at balance date was:

Cash & cash equivalents                      5%

**c. Net Fair Values**

The net fair value approximates the carrying values of all of the association's financial instruments approximate their net fair value.

No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments.

**18. ASSOCIATION DETAILS**

The principal place of business of the association is:

The Pharmacy Guild of Australia WA Branch  
1322 Hay Street  
West Perth WA 6872

**19. SEGMENT REPORTING**

The association operates predominately in one business and geographical segment, being the pharmaceutical sector, providing industrial representative services to members of the association in Western Australia.

PHARMACY GUILD OF AUSTRALIA  
WESTERN AUSTRALIAN BRANCH

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2006

20. WORKPLACE RELATIONS ACT 1996 – SECTION 272 SCHEDULE 1B

Information to be provided to members or Registrar.

- (1) A member of a reporting unit, or a Registrar, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- (2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- (3) A reporting unit must comply with an application made under subsection (1).

Note: This subsection is a civil penalty provision (see section 305).

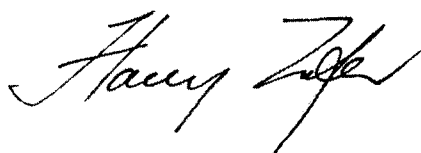
PHARMACY GUILD OF AUSTRALIA  
WESTERN AUSTRALIAN BRANCH

STATEMENT BY THE MEMBERS OF THE COMMITTEE

In the opinion of the committee the financial report as set out on pages 19 to 35;

1. Presents a true and fair view of the financial position of Pharmacy Guild of Australia as at 30 June 2006 and its performance for the year ended on that date in accordance with Australian Accounting Standards, mandatory professional reporting requirements and other authoritative pronouncements of the Australian Accounting Standards Board.
2. At the date of this statement, there are reasonable grounds to believe that Pharmacy Guild of Australia Western Australian Branch will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Committee and is signed for and on behalf of the Committee by:



Harold Dennis Zafer  
President



Zoe Lenette Mullen  
Treasurer

Dated this 21st day of August 2006

# PHARMACY GUILD OF AUSTRALIA WESTERN AUSTRALIAN BRANCH

## INDEPENDENT AUDIT REPORT TO THE MEMBERS OF PHARMACY GUILD OF AUSTRALIA WESTERN AUSTRALIAN BRANCH

### Scope

#### The financial report and committee's responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the statement by members of the committee for Pharmacy Guild of Australia Western Australian Branch, for the year ended 30 June 2006.

The committee of the association is responsible for the preparation and true and fair presentation of the financial report in accordance with the Associations Incorporations Act (WA). This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

#### Audit Approach

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

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Associations Incorporations Act (WA), including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the association's financial position, and of its performance as represented by the results of its operations and cash flows.

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

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

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

#### Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.



PHARMACY GUILD OF AUSTRALIA  
WESTERN AUSTRALIAN BRANCH

INDEPENDENT AUDIT REPORT  
TO THE MEMBERS OF PHARMACY GUILD OF AUSTRALIA WESTERN  
AUSTRALIAN BRANCH

Audit Opinion

In our opinion, the financial report of Pharmacy Guild of Australia Western Australian Branch presents a true and fair view in accordance with applicable Accounting Standards and other mandatory Professional reporting requirements in Australia, the financial position of Pharmacy Guild of Australia Western Australian Branch as at 30 June 2005 and the results of its operations and its cash flows for the year then ended.



Mario Natale Cattalini CPA  
Registered Company Auditor  
Francis A Jones Pty Ltd  
154 High Street  
Fremantle WA 6160

21 August 2006

PHARMACY GUILD OF AUSTRALIA  
WESTERN AUSTRALIAN BRANCH

INCOME AND EXPENDITURE STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2006  
GENERAL FUND

	2006	2005
	\$	\$
<b>REVENUE</b>		
Operating Activities		
Administration Expenses Recovered	609,655	622,317
Branch Recording Fees	67,320	67,106
Commission	174,615	164,359
Events & Public Relations Income	5,934	94,972
Gold Cross Service Commission	31,560	40,461
Members Services	471,728	525,241
Membership Subscriptions	699,702	681,350
Profit on sale of Non Current Asset	336	0
Staff and Management Training	460,765	336,751
Sundry Income	7,125	3,792
Interest Received	48,880	38,955
	2,577,620	2,575,304
<b>EXPENDITURE</b>		
Advertising	2,793	2,980
Accounting Fees	0	818
Auditing Fees	6,900	5,900
Bad Debts	0	(135)
Bank Fees	3,716	4,690
Branch Committee Expenses	164,171	152,577
Depreciation – Office Equipment	19,108	24,941
– Motor Vehicles	12,593	12,549
Dispatch & Postage	19,198	23,844
EDP Maintenance & Support	19,278	8,570
Entertainment	690	578
Events & Public Relations Expenses	64,215	143,661
Fringe Benefits Tax	0	6,656
Insurance	9,863	30,061
Loss on sale of non current assets	0	5,362
Meeting Expenses	591	15,111
Members Services	425,362	455,111
Motor Vehicle	14,303	7,995
National Council Dues	485,613	478,692
Office Expenses	4,286	4,559
Payroll Tax	45,344	32,280
Parking/Taxi Expenses	468	434
Power and Light	9,792	11,155
Printing and Stationery	34,232	35,422

PHARMACY GUILD OF AUSTRALIA  
WESTERN AUSTRALIAN BRANCH

INCOME AND EXPENDITURE STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2006  
GENERAL FUND

	2006 \$	2005 \$
Provision for Holiday Pay	(3,366)	3,214
Provision for Long Service Leave	1,772	1,737
Rent & Variable Outgoings	55,956	42,000
Repairs & Maintenance	485	0
Salaries – Employees	460,986	510,498
Staff Recruitment & Agency Temp Staff	16,130	324
Subscriptions, Donations & Seminars	6,585	21,843
Sundry Expenses & Staff Training	4,473	5,105
Superannuation	79,972	78,835
Telephone and Facsimile	26,496	28,829
Training Division Expenses	406,968	365,925
Trans to Capital Equip Replacement Reserve	30,000	30,000
Travelling Expenses	7,294	10,027
Uniforms for Staff	0	601
	2,436,267	2,562,749
TOTAL EXPENDITURE		
	141,353	12,555
Profit from General Fund for the year		

PHARMACY GUILD OF AUSTRALIA  
WESTERN AUSTRALIAN BRANCH

INCOME AND EXPENDITURE STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2006  
SPECIAL PROJECT FUND

	2006	2005
	\$	\$
<b>REVENUE</b>		
Operating Activities		
Rent and Variable Outgoings Received	117,455	99,073
WA Industrial & Management Service Fee	124,073	120,043
Interest Received	13,904	23,281
	<hr/>	<hr/>
<b>TOTAL REVENUE</b>	<b>255,432</b>	<b>242,397</b>
	<hr/>	<hr/>
<b>EXPENDITURE</b>		
Bank Charges Stamp Duty	20	166
Cleaning Services & Supplies	18,056	20,739
Depreciation	10,417	12,138
Donations	4,445	3,241
Electricity	0	85
Insurance	522	1,997
Legal Cover Expenses	31,044	23,937
Parking Bay Rates	1,777	1,718
Rates & Taxes	12,188	11,521
Reimburse of Administration Costs	65,940	67,116
Repairs & Maintenance	3,835	2,197
Security/Alarm System	2,465	2,722
	<hr/>	<hr/>
<b>TOTAL EXPENDITURE</b>	<b>150,709</b>	<b>147,577</b>
	<hr/>	<hr/>
<b>Profit from Special Projects Fund for the year</b>	<b>104,723</b>	<b>94,820</b>
	<hr/> <hr/>	<hr/> <hr/>



**Australian Government**

**Australian Industrial Registry**

Level 4, 11 Exhibition Street  
Melbourne, VIC 3000  
GPO Box 1994, Melbourne, VIC 3001  
Telephone: (03) 8661 7777  
Fax: (03) 9654 6812

Mr Harold Zafer  
President  
Western Australian Branch  
The Pharmacy Guild of Australia  
PO Box 968  
WEST PERTH WA 6872

Dear Mr Zafer,

**The Pharmacy Guild of Australia – Western Australian Branch  
Financial Reports for the Year Ended 30th June 2006 - FR2006/443  
Schedule 1 of the Workplace Relations Act 1996 (RAO Schedule)**

Thank you for the financial reports of the Western Australian Branch of The Pharmacy Guild of Australia for the year ended 30<sup>th</sup> June 2006. The documents were lodged in the Industrial Registry on 6<sup>th</sup> October 2006.

The documents have been filed.

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

**Auditor's Report**

The Auditor's Report makes a number of references to state legislation (that is, to the *Associations Incorporation Act (WA)*) but does not refer to the federal *Workplace Relations Act 1996*.

The accounts in question are required to be prepared and lodged by the Branch as part of an organisation that has been registered under the federal *Workplace Relations Act 1996*. It is therefore necessary for the Auditor's Report to refer specifically to that Act and the accompanying Regulations. In particular, section 257 of the RAO Schedule requires an Auditor, in his or her report, to state whether the General Purpose Financial Report (GPFR) is presented fairly in accordance with Australian Accounting Standards and the *Workplace Relations Act 1996*.

It would be sufficient if the Auditor's Opinion made the following statement:

*In our opinion the General Purpose Financial Report is presented fairly in accordance with applicable Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of Schedule 1 (RAO Schedule) of the Workplace Relations Act 1996.*

You are requested to bring this matter to the attention of your Auditor.

**Signing of Documents – Operating Report and Committee of Management Statement**

Both the Operating Report and Committee of Management Statement have been prepared for signature by you as Branch President but neither document has, in fact, been signed. It is a requirement of the RAO Schedule that both of these documents be signed (see section 254(3) and Reporting Guideline 18(c) respectively).

Would you please ensure in future that all documents are signed as a matter of course.

**Operating Report – Superannuation Trustees**

I note that the Branch's Director, Ms Lyn Metcalf, has acknowledged in her covering letter that the Operating Report has not provided the requisite information regarding whether any officer or

member of the Branch is a trustee of a superannuation entity (or a director of a company that is a trustee of a superannuation entity) – see section 254(2)(d) of the RAO Schedule.

You are requested to ensure that this information is included in the future. In the event that no officer or member of the Branch is a trustee or director of a superannuation entity, the Operating Report should include a comment to this effect.

### **Disclosure of Expenditure - General Purpose Financial Report**

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

- grants or donations made by the reporting unit (11(f));
- fees and/or allowances paid for attendance at conferences (11(i));
- conference and meeting expenses (11(k));

Ms Metcalf has acknowledged in her covering letter that donations have, once again, been included in a broader category of 'Subscriptions, Donations & Seminars' rather than being separately itemised as required by the Guidelines. You are requested to include a separate expense for grants or donations in the future.

I also note that there are a number of items of expenditure which may include sums which have been spent on *fees and/or allowances paid for attendances at conferences* or *conference and meeting expenses* (such as 'Branch Committee Expenses', 'Meeting Expenses' and 'Travelling Expenses'). Would you please ensure in future that expenses relating to conferences and meetings are separately itemised as required by Guidelines 11(i) and 11(k).

### **Timing of Financial Documents - Lodgement of Documents in the Registry**

Section 268 of the RAO Schedule requires the Branch to lodge its financial documents with the Registry within 14 days of the date of the meeting at which they were presented (that is, by 4<sup>th</sup> October, 2006). The documents were not lodged with the Registry, however, until 6<sup>th</sup> October, 2006. You are requested to lodge documents within the 14 day period in future.

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

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

Yours sincerely,



for  
Robert Pfeiffer  
Statutory Services Branch

25 January 2007



The PHARMACY GUILD of AUSTRALIA  
WESTERN AUSTRALIAN BRANCH

3 October 2006

The Industrial Registrar  
Australian Industrial Registry  
GPO Box 1994S  
MELBOURNE VIC 3001

Dear Sir/Madam

Please find enclosed the 2006 Annual Report of the Western Australian Branch of The Pharmacy Guild of Australia together with the Designated Officer's Certificate.

In preparing to send the 2006 Annual report I looked to see that your comments from the 2005 Annual report had been incorporated. Unfortunately they had not all been addressed. The outstanding items are:

- Auditor's Report – Refers to “Applicable Accounting Standards”, Not specifically “Australian Accounting Standards”.
- Donations are still included in “Subscriptions, Donations and Seminars”. The donations amounted to \$2,837. Details of donations are lodged by the National Secretariat of the Guild.
- Superannuation trustees – No officers or members of the branch are trustees of a superannuation entity or a director of a company that is a trustee of a superannuation entity by virtue of their position in the WA branch of the Guild.

Yours faithfully

LYN METCALF  
Director

**Cc: Mr K. Schneemann, National Secretariat, Canberra**

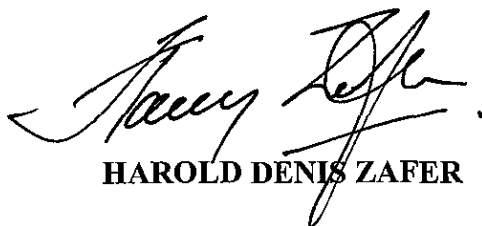


The PHARMACY GUILD of AUSTRALIA  
WESTERN AUSTRALIAN BRANCH

**Designated Officer's Certificate**  
S268 of Schedule 1 B Workplace Relations Act 1996

I Harold Denis Zafer being the President of The Pharmacy Guild of Australia,  
Western Australian Branch certify:

- That the documents lodged herewith are copies of the full report referred to in section 268 of the RAO Schedule; and
- That the full report was provided to members on 22 August 2006; and
- That the full report was presented to a general meeting of members of the reporting unit on 20 September 2006 in accordance with section 266 of the RAO Schedule.



**HAROLD DENIS ZAFER**

3 October 2006



PHARMACY GUILD OF AUSTRALIA  
WESTERN AUSTRALIAN BRANCH

FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2006

**PHARMACY GUILD OF AUSTRALIA  
WESTERN AUSTRALIAN BRANCH**

**COMMITTEE OF MANAGEMENT STATEMENT**

On 21 August 2006 the Committee of Management of the Pharmacy Guild of Australia WA Branch passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30 June 2006:

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

- (a) The financial statements and notes comply with the Australian Accounting Standards;
- (b) The financial statements and notes comply with the reporting guidelines of the Industrial Registrar;
- (c) The financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) There are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (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 organization including the rules of a branch concerned; and
  - ii. The financial affairs of the reporting unit have been managed in accordance with the rules of the organization including the rules of a branch concerned; and
  - iii. The financial records of the reporting unit have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
  - iv. Where the organization consists of 2 or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organization; and
  - v. The information sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the member or Registrar; and
  - vi. There has been compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.

For Committee of Management: Harold Denis Zafer

Title of Office Held: President

Signature

Dated 21 August 2006

# PHARMACY GUILD OF AUSTRALIA WESTERN AUSTRALIAN BRANCH

## OPERATING REPORT

I, HAROLD DENIS ZAFER, being the designated officer responsible for preparing this report for the financial year ended 30 June 2006 of The Pharmacy Guild of Australia Western Australian Branch, report as follows:

### 1. Principal Activities:

- a) The Pharmacy Guild of Australia Western Australian Branch is an employers' organisation servicing the needs of proprietors of independent community pharmacies and to represent their interests in industrial matters.
- b) The Pharmacy Guild of Australia Western Australian 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.
- c) Included in the Annual Report are the various reports compiled by The Pharmacy Guild of Australia Western Australian Branch's President and Director outlining the activities for the year. There were no significant changes in the nature of these activities during the year under review.

### 2. Significant financial changes:

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

### 3. Members Advice:

- a) Under Section 174 of the Registration and Accountability of Organisations schedule, (RAO), a member may resign from a membership by written notice addressed and delivered to the Branch Director (Rule 36 of the Constitution);
- b) The register of members of the organization was maintained in accordance with the RAO;
- c) Section 272 of the RAO outlines members and the registrar's rights to certain prescribed information.

### 4. Prescribed and other Information:

- a) As at 30 June 2006 to which this report relates the number of members of the organisation was 467 including Honorary Life Members;
- b) As at 30 June 2006 the total number of employees employed by the reporting entity was 12.
- c) The persons who have been members of the committee of management of The Pharmacy Guild of Australia Western Australian Branch during the reporting period are:

#### Branch Executive

Harry Zafer

Lenette Mullen

Glenn Joyce

Adrian Hinds

President

Vice President Finance

National Councillor

Vice President

Vice President

PHARMACY GUILD OF AUSTRALIA  
WESTERN AUSTRALIAN BRANCH

OPERATING REPORT CONTINUED

Branch Committee

Adrian Hinds	Great Southern Country
Vivien Hudson	North Coast Metro
Glenn Joyce	South Eastern Metro
John Rees	Eastern Country
Ross McKay	Northern Country District
Lenette Mullen	Fremantle Melville
Ernie Pirone	Northern Metro
Michael Rollings	Perth City
Rob Rose	South Coastal Metro
Adrian Staltari	Eastern Metropolitan
Natalie Willis	South Perth Metro
Stephen Wragg	North Eastern Metro
Harry Zafer	West Coast Metro
Vacant	South West Country

5. Insurance of Officers:

During the financial year, The Pharmacy Guild of Australia Western Australian Branch paid insurance to cover all officers of The Pharmacy Guild of Australia Western Australian Branch. The officers of Pharmacy Guild of Australia Western Australian Branch covered by the insurance policy include all the committees of management. Other officers covered by the contract are the management of The Pharmacy Guild of Australia Western Australian 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 Western Australian Branch

HAROLD DENIS ZAFER

Date: 21 August 2006

PHARMACY GUILD OF AUSTRALIA  
WESTERN AUSTRALIAN BRANCH

INCOME STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2006

	NOTE	2006 \$	2005 \$
Revenue	3	2,833,052	2,817,701
Employee benefits expense		(557,088)	(589,657)
Depreciation and amortisation expense		(42,118)	(49,628)
Other expenses		(1,987,770)	(2,071,041)
		<hr/>	<hr/>
Profit for the year		246,076	107,375
		<hr/>	<hr/>

The accompanying notes form part of these financial statements.

**PHARMACY GUILD OF AUSTRALIA  
WESTERN AUSTRALIAN BRANCH**

**BALANCE SHEET  
AS AT 30 JUNE 2006**

	NOTE	2006 \$	2005 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	1,176,503	867,315
Trade and other receivables	6	989,034	187,457
Inventories	7	2,486	4,670
Other current assets	8	79,821	46,193
		<hr/>	<hr/>
<b>Total Current Assets</b>		<b>2,247,844</b>	<b>1,105,635</b>
		<hr/>	<hr/>
<b>NON CURRENT ASSETS</b>			
Trade and other receivables	6	24,872	24,872
Property, plant and equipment	9	1,707,123	1,698,541
		<hr/>	<hr/>
<b>Total Non Current Assets</b>		<b>1,731,995</b>	<b>1,723,413</b>
		<hr/>	<hr/>
<b>TOTAL ASSETS</b>		<b>3,979,839</b>	<b>2,829,048</b>
		<hr/>	<hr/>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	1,333,708	457,399
Short term provisions	11	16,240	43,670
		<hr/>	<hr/>
<b>Total Current Liabilities</b>		<b>1,349,948</b>	<b>501,069</b>
		<hr/>	<hr/>
<b>NON CURRENT LIABILITIES</b>			
Long term provisions	11	25,836	-
		<hr/>	<hr/>
<b>Total Non Current Liabilities</b>		<b>25,836</b>	<b>-</b>
		<hr/>	<hr/>
<b>TOTAL LIABILITIES</b>		<b>1,375,784</b>	<b>501,069</b>
		<hr/>	<hr/>
<b>NET ASSETS</b>		<b>2,604,055</b>	<b>2,327,979</b>
		<hr/>	<hr/>
<b>EQUITY</b>			
Reserves		719,996	689,996
Retained earnings		1,884,059	1,637,983
		<hr/>	<hr/>
<b>TOTAL EQUITY</b>		<b>2,604,055</b>	<b>2,327,979</b>
		<hr/>	<hr/>

The accompanying notes form part of these financial statements.

**PHARMACY GUILD OF AUSTRALIA  
WESTERN AUSTRALIAN BRANCH**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2006**

	Retained Earnings General	Retained Earnings Special Projects	Capital Equipment Replacement Reserve	Asset Revaluation Reserve	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2004	434,198	1,096,410	32,036	627,960	2,190,604
Profit for the year	12,555	94,820	-	-	107,375
Transfer from general funds	-	-	30,000	-	30,000
Revaluation decrement	-	-	-	-	-
<b>Balance at 30 June 2005</b>	<b>446,753</b>	<b>1,191,230</b>	<b>62,036</b>	<b>627,960</b>	<b>2,327,979</b>
Profit for the year	141,353	104,723	-	-	246,076
Transfer from general funds	-	-	30,000	-	30,000
<b>Balance at 30 June 2006</b>	<b>588,106</b>	<b>1,295,953</b>	<b>92,036</b>	<b>627,960</b>	<b>2,604,055</b>

The accompanying notes form part of these financial statements.

**PHARMACY GUILD OF AUSTRALIA  
WESTERN AUSTRALIAN BRANCH**

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2006**

	NOTE	2006 \$	2005 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from members		2,991,672	2,209,592
Payments to suppliers and employees		(2,700,366)	(2,516,367)
Interest received		62,784	62,236
		<hr/>	<hr/>
Net cash provided by operating activities	16	354,090	(244,539)
		<hr/>	<hr/>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of property, plant & equipment		-	20,000
Purchase of property, plant & equipment		(44,902)	(356,882)
		<hr/>	<hr/>
Net cash provided by (used in) investing activities		(44,902)	(336,882)
		<hr/>	<hr/>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings		-	10,000
		<hr/>	<hr/>
Net cash provided by (used in) financing activities		-	10,000
		<hr/>	<hr/>
Net increase/(decrease) in cash held		309,188	(571,421)
		<hr/>	<hr/>
Cash at beginning of the year		867,315	1,438,736
		<hr/>	<hr/>
Cash at end of year	5	1,176,503	867,315
		<hr/> <hr/>	<hr/> <hr/>

The accompanying notes form part of these financial statements.



**PHARMACY GUILD OF AUSTRALIA  
WESTERN AUSTRALIAN BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2006**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Associations Incorporations Act Western Australia.

The financial report covers Pharmacy Guild of Australia Western Australian Branch as an individual entity. Pharmacy Guild of Australia Western Australian Branch is an association incorporated in WA under the Associations Incorporations Act Western Australia.

The financial report of the Pharmacy Guild of Australia Western Australian Branch as an individual entity complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

The following is a summary of the material accounting policies adopted by the association in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

**Basis of preparation**

*First time Adoption of Australian Equivalents to International Financial Reporting Standards*

Pharmacy Guild of Australia Western Australian Branch has prepared financial statements in accordance with the Australian equivalents to International Financial Reporting Standards (AIFRS) from 1 July 2005.

In accordance with the requirements of AASB 1: First-time Adoption of Australian Equivalents to International Financial Reporting Standards, adjustments to the parent entity and consolidated entity accounts resulting from the introduction of AIFRS have been applied retrospectively to 2005 comparative figures excluding cases where optional exemptions available under AASB 1 have been applied.

These accounts are the first financial statements of Pharmacy Guild of Australia Western Australian Branch to be prepared in accordance with AIFRS.

The accounting policies set out below have been consistently applied to all years presented. The entity has however elected to adopt the exemptions available under AASB 1 relating to AASB 132: Financial Instruments: Disclosure and Presentation, and AASB 139: Financial Instruments: Recognition and Measurement.

Reconciliations of the transition from previous Australian GAAP to AIFRS have been included in Note 2 to this report.

*Reporting Basis and Conventions*

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

PHARMACY GUILD OF AUSTRALIA  
WESTERN AUSTRALIAN BRANCH

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2006

Accounting policies

a. Income Tax

The association does not provide for tax as only non-member income of the association is assessable for tax. Member income is excluded from tax assessment under the principal of mutuality.

b. Inventories

Inventories consist of stock of unsold product, valued at the lower of cost or net realisable value. The cost of inventories includes all direct costs of acquisition. Costs are assigned on the basis of average cost.

c. Property, plant & equipment

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

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by the committee to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The depreciable amount of plant and equipment is depreciated on a straight line basis over their useful lives to the association commencing from the time the asset is held ready for use.

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

Office equipment	15%
Office furniture	10%
Motor vehicles	15%
Computer equipment	33 1/3%
Structural improvements	2.5%

d. Leases

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

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

**PHARMACY GUILD OF AUSTRALIA  
WESTERN AUSTRALIAN BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2006**

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

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

**e. Impairment of assets**

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

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

**f. Employee Benefits**

Provision is made for the association's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by the association to employee superannuation funds and are charged as expenses when incurred.

**g. Training administration fee**

The training administration fee liability represents the amount refundable to employer members for the training administration fee originally charged to employer members.

**h. Cash and cash equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

**PHARMACY GUILD OF AUSTRALIA  
WESTERN AUSTRALIAN BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2006**

**i. Revenue**

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Dividend revenue is recognised when the right to receive a dividend has been established.

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

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

**j. Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

**k. Comparative Figures**

Where requested by Accounting Standards comparative figures have been adjusted to conform to changes in presentation for the current financial year.

**Critical accounting estimates and judgments**

The committee members evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the association.

**Key estimates – Impairment**

The association assesses impairment at each reporting date by evaluating conditions specific to the association that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

**PHARMACY GUILD OF AUSTRALIA  
WESTERN AUSTRALIAN BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2006**

**2. FIRST TIME ADOPTION OF AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS**

On transition to AIFRS, there are no adjustments to equity or profit and loss between previous Australian GAAP and AIFRS.

	2006	2005
	\$	\$
<b>3. REVENUE</b>		
Operating Activities		
• General fund revenue	2,528,740	2,536,349
• Special project fund revenue	241,528	219,116
• Interest received – general fund	48,880	38,955
• Interest received - special project fund	13,904	23,281
	2,833,052	2,817,701
Non-operating Activities	-	-
Total revenue	2,833,052	2,817,701

A detailed income and expenditure statement follows at the end of this financial report.

**4. AUDITORS REMUNERATION**

Remuneration of the auditor for:

Auditing or reviewing the financial report	6,900	5,900
Other services	-	-
	6,900	5,900
	6,900	5,900

**5. CASH AND CASH EQUIVALENTS**

Cash at bank and in hand	1,176,503	867,315
Short term bank deposits	-	-
	1,176,503	867,315
	1,176,503	867,315

**PHARMACY GUILD OF AUSTRALIA  
WESTERN AUSTRALIAN BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2006**

	2006	2005
	\$	\$
<b>Reconciliation of cash</b>		
Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:-		
Cash and cash equivalents - general	898,482	666,793
Cash and cash equivalents - special projects fund	278,021	200,522
Bank overdrafts	-	-
	1,176,503	867,315
	1,176,503	867,315
 <b>6. TRADE AND OTHER RECEIVABLES</b>		
CURRENT		
Trade & other debtors	951,918	188,457
Internet fraud recovery due	37,116	-
	989,034	188,457
Less provision for doubtful debts	-	(1,000)
	989,034	187,457
NON CURRENT		
Loan to Guild Shield Chemists	24,872	24,872
	24,872	24,872
 <b>7. INVENTORIES</b>		
CURRENT		
Stocks of stationery, packaging and signs	2,486	4,670
	2,486	4,670
 <b>8. OTHER CURRENT ASSETS</b>		
Prepayments	79,821	32,771
Accrued income	-	13,422
	79,821	46,193
	79,821	46,193

**PHARMACY GUILD OF AUSTRALIA  
WESTERN AUSTRALIAN BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2006**

	2006 \$	2005 \$
<b>9. PROPERTY, PLANT &amp; EQUIPMENT</b>		
<b>Land &amp; buildings</b>		
At independent valuation 2003	1,300,000	1,300,000
<b>Office furniture &amp; equipment</b>		
At cost	712,911	668,009
Accumulated depreciation	(363,666)	(339,940)
	349,245	328,069
<b>Motor vehicles</b>		
At cost	85,827	85,827
Accumulated amortisation	(27,949)	(15,355)
	57,878	70,472
<b>Total plant &amp; equipment</b>	407,123	398,541
<b>Total property, plant &amp; equipment</b>	1,707,123	1,698,541

The association's land & buildings were revalued in 2003 by independent valuers. Valuations were made on the basis of open market value. The revaluation surplus was credited to an asset revaluation reserve in the equity section of the balance sheet. No deferred tax was provided on the revaluation as the association is exempt from taxation under the principle of mutuality.

Subsequent to balance date the association has engaged an independent valuation of land & buildings by licenced valuer Ray Gourlay. Based on the valuation the association intends to revalue land and buildings to \$1,825,000 in the 2007 financial year.

**PHARMACY GUILD OF AUSTRALIA  
WESTERN AUSTRALIAN BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2006**

**Movement in carrying amounts**

Movements in carrying amounts for each class of property, plant & equipment between the beginning and the end of the current financial year.

	Land & buildings \$	Office furniture & equipment \$	Motor vehicles \$	Total \$
Balance at the beginning of year	1,300,000	328,068	70,472	1,698,540
Additions	-	50,700	-	50,700
Disposals	-	-	-	-
Revaluation decrement	-	-	-	-
Depreciation & amortisation expense	-	(29,523)	(12,594)	(42,117)
Carrying amount at the end of year	1,300,000	349,245	57,878	1,707,123
	1,300,000	349,245	57,878	1,707,123

2006	2005
\$	\$

**10. TRADE & OTHER PAYABLES  
CURRENT**

Trade payables	116,110	146,151
Refunds due to members	-	402
Training administration fees	22,680	39,900
Income received in advance	1,102,932	270,946
Accrued expenses	12,500	-
Accrued GST	79,486	-
	1,333,708	457,399
	1,333,708	457,399



**PHARMACY GUILD OF AUSTRALIA  
WESTERN AUSTRALIAN BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2006**

**11. PROVISIONS**

	Annual leave \$	Long service leave \$	Total \$
Opening balance at 1 July 2005	34,686	8,984	43,670
Additional provisions	30,447	1,772	1,772
Amounts used	(33,813)	-	(3,366)
	31,320	10,756	42,076
	31,320	10,756	42,076

**Analysis of total provision**

		2006
		\$
Current		16,240
Non current		25,836
		42,076
		42,076

**Provision for long term employee benefits**

A provision has been recognised for employee entitlements relating to long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits has been included in Note 1 to this report.

	2006	2005
	\$	\$

**12. CAPITAL & LEASING COMMITMENTS**

**Operating lease commitments**

**Payable – minimum lease payments**

- not later than 12 months	2,835	11,339
- between 12 months & 5 years	-	2,835
- greater than 5 years	-	-
	2,835	14,174
	2,835	14,174

**PHARMACY GUILD OF AUSTRALIA  
WESTERN AUSTRALIAN BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2006**

	2006	2005
	\$	\$
<b>13. CONTINGENT LIABILITIES AND CONTINGENT ASSETS</b>		
Estimates of the potential effect of contingent liabilities that may become payable:	-	-
	=====	=====
<b>14. EVENTS AFTER THE BALANCE SHEET DATE</b>		
Since balance date the association has revalued land & buildings to \$1,825,000 (refer to note 9).		
No other significant events have occurred subsequent to the reporting date.		
<b>15. RELATED PARTY TRANSACTIONS</b>		
There have been no material transactions with key management personnel or related parties.		
<b>16. CASHFLOW INFORMATION</b>		
Reconciliation of cash flow from operations with profit from ordinary activities after income tax:		
Profit after income tax	246,076	107,375
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit		
- Depreciation and amortisation	42,118	49,628
- Net loss/(profit) on disposal of plant and equipment	(336)	5,362
- Depreciation adjustments	(5,462)	-
Changes in assets and liabilities		
- (Increase)/decrease in trade and term debtors	(801,577)	502,879
- (Increase)/decrease in prepayments	(47,050)	(2,393)
- (Increase)/decrease in accrued income	13,422	-
- (Increase)/decrease in inventories	2,184	(16,812)
- Increase/(decrease) in trade and other payables	796,823	(925,530)
- Increase/(decrease) in employee benefits	(1,594)	4,952
- Increase/(decrease) in accrued GST	79,486	-
- Transfer to capital equipment replacement reserve	30,000	30,000
	-----	-----
Cash flow from operations	354,090	(244,539)
	=====	=====

PHARMACY GUILD OF AUSTRALIA  
WESTERN AUSTRALIAN BRANCH

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2006

17. FINANCIAL INSTRUMENTS

a. Financial risk management

i. Treasury risk management

The association has no interest bearing borrowings and therefore has no current interest rate exposure.

ii. Financial risks

The main risks the association is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

*Interest rate risk*

Interest rate risk is managed with a mixture of fixed and floating interest bearing investments.

*Foreign currency risks*

The association is not exposed to fluctuations in foreign currencies.

*Liquidity risk*

The association manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised facilities are maintained.

*Credit risk*

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 impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

The association does not have any material credit risk exposure to any one single receivable or group of receivables under financial instruments entered into by the association.

*Price risk*

The association is not exposed to any material commodity price risk.

**PHARMACY GUILD OF AUSTRALIA  
WESTERN AUSTRALIAN BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2006**

**b. Interest rate risk**

The association's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities, is as follows:

	Floating interest rate \$		Fixed interest rate maturing within 1 year \$		Fixed interest rate maturing 1 to 5 years \$		Non interest bearing \$	
	2006	2005	2006	2005	2006	2005	2006	2005
<b>Financial assets</b>								
Cash & cash equivalents	1,176,503	867,315	-	-	-	-	-	-
Short term deposits	-	-	-	-	-	-	-	-
Total financial assets	1,176,503	867,315	-	-	-	-	-	-
<b>Financial liabilities</b>								
	-	-	-	-	-	-	-	-

The weighted average effective interest rate of financial instruments held at balance date was:

Cash & cash equivalents                      5%

**c. Net Fair Values**

The net fair value approximates the carrying values of all of the association's financial instruments approximate their net fair value.

No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments.

**18. ASSOCIATION DETAILS**

The principal place of business of the association is:

The Pharmacy Guild of Australia WA Branch  
1322 Hay Street  
West Perth WA 6872

**19. SEGMENT REPORTING**

The association operates predominately in one business and geographical segment, being the pharmaceutical sector, providing industrial representative services to members of the association in Western Australia.

PHARMACY GUILD OF AUSTRALIA  
WESTERN AUSTRALIAN BRANCH

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2006

20. WORKPLACE RELATIONS ACT 1996 – SECTION 272 SCHEDULE 1B

Information to be provided to members or Registrar.

- (1) A member of a reporting unit, or a Registrar, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- (2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- (3) A reporting unit must comply with an application made under subsection (1).

Note: This subsection is a civil penalty provision (see section 305).

PHARMACY GUILD OF AUSTRALIA  
WESTERN AUSTRALIAN BRANCH

STATEMENT BY THE MEMBERS OF THE COMMITTEE

In the opinion of the committee the financial report as set out on pages 19 to 35;

1. Presents a true and fair view of the financial position of Pharmacy Guild of Australia as at 30 June 2006 and its performance for the year ended on that date in accordance with Australian Accounting Standards, mandatory professional reporting requirements and other authoritative pronouncements of the Australian Accounting Standards Board.
2. At the date of this statement, there are reasonable grounds to believe that Pharmacy Guild of Australia Western Australian Branch will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Committee and is signed for and on behalf of the Committee by:

Harold Dennis Zafer  
President

Zoe Lenette Mullen  
Treasurer

Dated this 21st day of August 2006

PHARMACY GUILD OF AUSTRALIA  
WESTERN AUSTRALIAN BRANCH

INDEPENDENT AUDIT REPORT  
TO THE MEMBERS OF PHARMACY GUILD OF AUSTRALIA WESTERN  
AUSTRALIAN BRANCH

Scope

The financial report and committee's responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the statement by members of the committee for Pharmacy Guild of Australia Western Australian Branch, for the year ended 30 June 2006.

The committee of the association is responsible for the preparation and true and fair presentation of the financial report in accordance with the Associations Incorporations Act (WA). This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit Approach

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

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Associations Incorporations Act (WA), including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the association's financial position, and of its performance as represented by the results of its operations and cash flows.

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

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

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

Independence


In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

PHARMACY GUILD OF AUSTRALIA  
WESTERN AUSTRALIAN BRANCH

INDEPENDENT AUDIT REPORT  
TO THE MEMBERS OF PHARMACY GUILD OF AUSTRALIA WESTERN  
AUSTRALIAN BRANCH

Audit Opinion

In our opinion, the financial report of Pharmacy Guild of Australia Western Australian Branch presents a true and fair view in accordance with applicable Accounting Standards and other mandatory Professional reporting requirements in Australia, the financial position of Pharmacy Guild of Australia Western Australian Branch as at 30 June 2005 and the results of its operations and its cash flows for the year then ended.



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Mario Natale Cattalini CPA  
Registered Company Auditor  
Francis A Jones Pty Ltd  
154 High Street  
Fremantle WA 6160

21 August 2006



**PHARMACY GUILD OF AUSTRALIA  
WESTERN AUSTRALIAN BRANCH**

**INCOME AND EXPENDITURE STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2006  
GENERAL FUND**

	2006	2005
	\$	\$
<b>REVENUE</b>		
Operating Activities		
Administration Expenses Recovered	609,655	622,317
Branch Recording Fees	67,320	67,106
Commission	174,615	164,359
Events & Public Relations Income	5,934	94,972
Gold Cross Service Commission	31,560	40,461
Members Services	471,728	525,241
Membership Subscriptions	699,702	681,350
Profit on sale of Non Current Asset	336	0
Staff and Management Training	460,765	336,751
Sundry Income	7,125	3,792
Interest Received	48,880	38,955
	2,577,620	2,575,304
<b>EXPENDITURE</b>		
Advertising	2,793	2,980
Accounting Fees	0	818
Auditing Fees	6,900	5,900
Bad Debts	0	(135)
Bank Fees	3,716	4,690
Branch Committee Expenses	164,171	152,577
Depreciation – Office Equipment	19,108	24,941
– Motor Vehicles	12,593	12,549
Dispatch & Postage	19,198	23,844
EDP Maintenance & Support	19,278	8,570
Entertainment	690	578
Events & Public Relations Expenses	64,215	143,661
Fringe Benefits Tax	0	6,656
Insurance	9,863	30,061
Loss on sale of non current assets	0	5,362
Meeting Expenses	591	15,111
Members Services	425,362	455,111
Motor Vehicle	14,303	7,995
National Council Dues	485,613	478,692
Office Expenses	4,286	4,559
Payroll Tax	45,344	32,280
Parking/Taxi Expenses	468	434
Power and Light	9,792	11,155
Printing and Stationery	34,232	35,422

PHARMACY GUILD OF AUSTRALIA  
WESTERN AUSTRALIAN BRANCH

INCOME AND EXPENDITURE STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2006  
GENERAL FUND

	2006	2005
	\$	\$
Provision for Holiday Pay	(3,366)	3,214
Provision for Long Service Leave	1,772	1,737
Rent & Variable Outgoings	55,956	42,000
Repairs & Maintenance	485	0
Salaries - Employees	460,986	510,498
Staff Recruitment & Agency Temp Staff	16,130	324
Subscriptions, Donations & Seminars	6,585	21,843
Sundry Expenses & Staff Training	4,473	5,105
Superannuation	79,972	78,835
Telephone and Facsimile	26,496	28,829
Training Division Expenses	406,968	365,925
Trans to Capital Equip Replacement Reserve	30,000	30,000
Travelling Expenses	7,294	10,027
Uniforms for Staff	0	601
	-----	-----
<b>TOTAL EXPENDITURE</b>	<b>2,436,267</b>	<b>2,562,749</b>
	-----	-----
<b>Profit from General Fund for the year</b>	<b>141,353</b>	<b>12,555</b>
	=====	=====

PHARMACY GUILD OF AUSTRALIA  
WESTERN AUSTRALIAN BRANCH

INCOME AND EXPENDITURE STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2006  
SPECIAL PROJECT FUND

	2006	2005
	\$	\$
<b>REVENUE</b>		
Operating Activities		
Rent and Variable Outgoings Received	117,455	99,073
WA Industrial & Management Service Fee	124,073	120,043
Interest Received	13,904	23,281
	<hr/>	<hr/>
<b>TOTAL REVENUE</b>	<b>255,432</b>	<b>242,397</b>
	<hr/>	<hr/>
<b>EXPENDITURE</b>		
Bank Charges Stamp Duty	20	166
Cleaning Services & Supplies	18,056	20,739
Depreciation	10,417	12,138
Donations	4,445	3,241
Electricity	0	85
Insurance	522	1,997
Legal Cover Expenses	31,044	23,937
Parking Bay Rates	1,777	1,718
Rates & Taxes	12,188	11,521
Reimburse of Administration Costs	65,940	67,116
Repairs & Maintenance	3,835	2,197
Security/Alarm System	2,465	2,722
	<hr/>	<hr/>
<b>TOTAL EXPENDITURE</b>	<b>150,709</b>	<b>147,577</b>
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<b>Profit from Special Projects Fund for the year</b>	<b>104,723</b>	<b>94,820</b>
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