



THE COUNCIL OF THE PHARMACEUTICAL SOCIETY OF WESTERN AUSTRALIA

2003 ANNUAL REPORT



PHARMACEUTICAL COUNCIL OF WESTERN AUSTRALIA

President:

K.T. McANUFF, M.P.S.

Members of the Council:

G. CECHELE, M.P.S.
R.J. DONNELLY, M.P.S.
M.J. GARLEPP, M.P.S.

J.L. HARVEY, F.P.S.
Z.L. MULLEN, F.P.S.
A. RAMSHAW, M.P.S.

Registrar

R.J. BRENNAN, J.P.

Assistant to the Registrar

I.F. ZAKNICH

Manager, Continuing Education Programmes

M.A. WEIDINGER, M.P.S.

Manager, Training Programmes

S.M. JACOBS, F.P.S. to February
R.G. GUASTELLA, M.P.S. from May to November
R.E. CARR, M.P.S. from December

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PAST PRESIDENTS

EDWARD MAYHEW	1892-05	STANLEY T. HUGHES	1967-70
EZRA PARRY	1906-09	JOHN M. O'HARA	1970-75
ARTHUR L. TILLY	1910-15	ERIC G. KIRK	1975-77
EDWARD A. SAGAR	1916-18	NEIL J. GENEVE	1977-81
JOSEPH B. GEORGE	1919-21	GLADYS A. HEEDES	1981-83
FRED P. GULLEY	1922-34	GEOFFREY C. MILLER	1983-86
HUGH O. HOWLING	1934-43	GEOFFREY J. LUDKINS	1986
THOS D.H. ALLAN	1943-50	JOHN M. O'HARA	1986-87
HARRY D. FITCH	1950-54	IAN C. HAMILTON	1987-91
REGINALD I. COHEN	1954-59	KEVIN T. MCANUFF	1991-95
GEORGE H. DALLIMORE	1959-63	MALCOLM J. ROBERTS	1995
ALAN C. McWHINNEY	1963-67	KEVIN T. McANUFF	1996-

ONE HUNDRED AND TWELFTH ANNUAL REPORT

1. COUNCIL MEETINGS

The Council met in eleven ordinary and nineteen special meetings during the year. In addition, Council was divided as in previous years into two standing committees for the detailed handling of business. The Legal and Administrative Committee met ten times and the Professional Development Committee met ten times.

Attendances at the various meetings are shown hereunder:

Councillor	Ordinary Meetings	Special Meetings	Legal & Administrative Committee	Professional Development Committee
Cecchele G	11	14	-	8
Donnelly R	9	12	-	1
Garlepp M	10	16	8	-
Harvey J	9	16	7	-
McAnuff K	11	15	9	8
Mullen L	11	13	6	-
Ramshaw A	10	17	-	10

2. ELECTIONS

The terms of office of Mr McAnuff, Mr Harvey and Mrs Ramshaw expired on 31st March. Each re-nominated for the vacancies. No other nominations were received. The Returning Officer, Mr C Manera M.P.S., therefore declared each re-elected.

3. OFFICERS

President:	K. T. McANUFF MPS
Deputy President:	Z.L. MULLEN FPS
Honorary Treasurer:	R. DONNELLY MPS
Registrar:	R. J. BRENNAN
Accountants:	MESSRS TAYLOR WOODINGS
Auditors:	KPMG

4. PHARMACEUTICAL REGISTER

Pharmacists

Total Registered at 01/01/2003		1770
Add		
Local Registrants	119	
Other States	20	
Overseas	15	154
		1924
Deduct		
Resignations	42	
Removals	33	
Deaths	3	78
Total Registered at 31/12/03		1846

Categories

Age	Under 25		25-34		35-44		45-54		55 & Over		Total	
Gender	M	F	M	F	M	F	M	F	M	F	M	F
Proprietor/Partner			76	41	92	53	93	31	124	7	385	132
Community Pharmacist	28	92	114	244	48	103	44	63	119	36	353	538
Hospital Pharmacist	3	12	13	68	17	46	17	33	26	16	76	175
Other					1	2	2	4	9	3	12	9
Total Practising	31	104	203	353	158	204	156	131	278	62	826	854
Non Practising			4	9	8	15	7	19	77	27	96	70
Total Registered	31	104	207	362	166	219	163	150	355	89	922	924

Pharmacies

	Metro	Country	Total
Community	372	114	486
Hospital	5		5
Friendly Society	1		1
Total Pharmacies	378	114	492

The Council dealt with 154 applications for registration of pharmacists.

In addition it approved 12 applications for registration of new pharmacy premises, 55 for sales and other changes to ownership of existing pharmacies, 20 for approval of renovations and extensions, 23 for changes to trading names and 15 for relocation of pharmacies. Six pharmacies were closed.

5. PRE-REGISTRATION TRAINING PROGRAMME

This year saw the retirement of Mrs Suzanne Jacobs from the position of Pharmacist Coordinator - Pre-registration Training, a position she held since 1989. Rosina Guastella was appointed as Manager, Training Programmes from February and in December Rachel Carr was appointed to the post.

One hundred and ten pre-registrants entered the programme. Lectures and small group workshops were again presented over two days on three occasions throughout the year. A training day focussing on management issues was provided in September. Time spent in attendance at compulsory training days was credited toward the 2500 hour total required by law. Formalised small-group tutorial sessions, facilitated by qualified pharmacists, were introduced to the programme during the year. These sessions were designed to assist the pre-registrants to consider issues such as ethics and the management of difficult situations in the pharmacy in a format more closely related to the subject matter than a lecture setting.

The *Viva Voce* examination is designed to assess a candidate's competence to practise. The assessment was based on the profession's "Competency Standards for Pharmacists in Australia 2001" which is published by the Pharmaceutical Society of Australia in consultation with full representation of the profession, including the Council. Application of knowledge, competence in communication and the exercise of professional judgement are considered essential for safe and effective practice. Candidates presented to two panels of practitioner examiners and were required to demonstrate knowledge of the quality use of medicines, drug information and pharmacy law and ethics. A total of 111 were successful at examinations during the year.

Following recommendations made by a working party in February 2000, Council agreed that, for a trial period of two years, pre-registrants who wished their competency to be tested at 2000 hours, rather than the currently required 2,500 hours, be permitted to present for examination. This recommendation was made in order to provide an opportunity to gauge whether the period of pre-registration training set out in the *Pharmacy Act Regulations 1976* required amendment, following the introduction of a four-year Bachelor of Pharmacy degree course. The early examinations were conducted, in fact, over three years, and the Panel of Examiners consistently found that the majority of pre-registrants were not sufficiently prepared at that stage for sole practice. The Council therefore resolved at its October meeting not to seek a reduction in the period of practical training required by the regulations and to cease the provision of an examination at 2000 hours.

Throughout the year, progress was monitored by assessment of assignment work and a record of learning. Supervisors were required to submit appraisals three times during the year to assist in monitoring progress towards achievement of the competency standards. A national multiple choice question examination was also used to assess candidates' readiness to present for the *Viva Voce* examination. Council's officers or delegates conducted workplace visits throughout the year.

The Council provided training and examination services to Australian Pharmacy Examining Council (APEC) for five candidates whose pharmacy qualifications were gained in other countries. Four completed the requirements satisfactorily and were subsequently registered.

6. INSPECTORIAL VISITS

The primary purpose of visits to pharmacies is to safeguard the health and safety of the public through the maintenance of proper standards as required by the Pharmacy Act and Regulations.

The Council maintained its programme of pharmacy inspections to monitor standards of hygiene, equipment and reference material as well as to explain its policies in regard to professional practice standards.

7. DISCIPLINARY AND LEGAL ACTION

The Council received 13 complaints during the year.

Investigation led to the institution of disciplinary proceedings against nine pharmacists who were dealt with in the manner shown hereunder: -

Cause of Action	Order
Misconduct – substituted brand against prescriber's instructions	Fined \$200 and ordered to pay costs
Carelessness – Labelling error	Fined \$200 and ordered to pay costs
Misconduct – dispensed repeat prescription simultaneously with original without prescriber's instruction or patient's request	Fined \$200 and ordered to pay costs
Impropriety – supplied methadone to third party in patient's absence	Censured and ordered to pay costs
Carelessness – dispensing error	Fined \$200 and ordered to pay costs
Impropriety – Falsified records and consumed dexamphetamine without prescription	Name erased from Register and ordered to pay costs
Carelessness – dispensing error	Fined \$200 and ordered to pay costs
Carelessness – dispensed out-of-date medication	Fined \$100 and ordered to pay costs
Carelessness – dispensing error	Fined \$200 and ordered to pay costs
Carelessness – omitted part of instructions from label	Fined \$200 and ordered to pay costs
Carelessness – dispensing error	Fined \$200 and ordered to pay costs

The first three actions in the above table related to one pharmacist who was ordered to pay costs totalling \$1500.

Costs in relation to the last matter amounted to \$2847.90 while costs for the remaining matters ranged between \$132 and \$165.

8. PSEUDOEPHEDRINE

The Council remained concerned at the risks facing pharmacists and their staff caused by continued activity of organised groups who purchase products which contain pseudoephedrine for illicit remanufacture into methylamphetamine.

The profession continued its commitment to the Council's requirement that:

- Sales be made only by a pharmacist
- Every sale be recorded
- Sales be made only to persons personally known to the pharmacist or after positive identification of the purchaser
- Other than in exceptional circumstances sales be limited to one pack per person after a clinically appropriate period of time had elapsed since a prior supply; and
- Appropriate storage policies be implemented

9. CONTINUING EDUCATION

PROFESSIONAL DEVELOPMENT ASSURANCE PROGRAMME (PDAP)

Four hundred and thirty-two pharmacists enrolled in the 2001-2003 cohort, of whom 320 accumulated points and 131 attained the 60 or more points required for certification. A total of 1350 pharmacists are enrolled for PDAP in the current (2002-2004 and 2003-2005) cohorts.

The PDAP Working Party held eleven meetings during the year to devise and trial test questions for the Annual Gold Questionnaire. Three hundred and eighty-nine pharmacists completed and returned this year's questionnaire and feedback indicates the questionnaire is a valuable competency assessment tool for pharmacists to apply to their practice.

The working party also considered applications for the allocation of points for continuing education, seminars and conferences provided by other organisations.

LECTURE SERIES

Attendances of pharmacists, pre-registrants and pharmacy students supported an excellent lecture series conducted between February and November.

Topics presented were:

- The Ins & Outs of Contraception
- Anticoagulation Therapy
- Chronic Back Pain
- Sugar 'n Spice : Diabetes and Thyroid Disorders

- Practice Based Research – joint presentation with Society of Hospital Pharmacists
- Stroke Management
- Antibiotics and Resistance
- Atrial Fibrillation
- Dermatology - Psoriasis, Eczema and Other Inflammatory Dermatoses
- A Stimulating Discussion: Narcolepsy and ADHD
- Satellite broadcasts produced by the Pharmaceutical Society of Australia –
 - Generics: The Issues, the Debate; and
 - Diabetes Management (material provided by the Council)

EMERGENCY CONTRACEPTION TRAINING

In anticipation of rescheduling of levonorgestrel as emergency hormonal contraception from a Prescription Medicine to a Pharmacist-Only Medicine, the Council delivered a training programme to ensure pharmacists could adequately assess and manage requests for emergency contraception. Developed in conjunction with Family Planning WA, a programme was conducted three times to a total audience of 850 pharmacists in the metropolitan area and the Albany region. The material was distributed in print form to pharmacists in other rural areas.

This attendance represented a considerable proportion of the practising population and reinforced the profession's commitment to high quality pharmacy services.

CONTINUING EDUCATION FOR SMALL GROUPS

In addition to evening lectures, the Council facilitated or contributed to a number of smaller group meetings including:

- Parkinson's Special Interest Group
- Clinical workshops for pharmacists accredited to perform medication reviews
- A forum to review and improve the provision of buprenorphine
- Workshops sponsored by manufacturers.

ANNUAL SEMINAR

The Society's Annual Seminar titled "Sugar and Spice: Diabetes and Thyroid Disorders" was very successful with 245 delegates in attendance. Participants commented on the high quality of the presentations and many reported it to be the best seminar in some years.

The seminar was strongly supported by the pharmaceutical industry with 19 exhibitors contributing to the success of the event. Displays were of a high standard and added significant value to the learning experience. Exhibitors expressed pleasure with their investment.

CONTINUING EDUCATION FOR RURAL PHARMACISTS

Geraldton - A Clinical Update

A comprehensive five-hour clinical workshop was attended by a majority of pharmacists in the region, including practitioners from Dongara and Kalbarri. The smaller group setting offered the opportunity to explore clinical issues in depth, including:

- cardiovascular disease - hypertension, heart failure, atrial fibrillation, deep vein thrombosis
- diabetes
- respiratory disease - chronic obstructive pulmonary disease and asthma.

Hormone replacement therapy, polycystic ovary syndrome and aspects of Parkinson's disease were also reviewed.

Albany - Emergency Contraception

The Emergency Contraception training programme was conducted in Albany, attracting pharmacists from around the region.

REFRESHER COURSE

The seventh Refresher Course was presented during July, August and September.

The course is designed to assist pharmacists who have been absent from the pharmacy workforce to refresh their knowledge and skills before recommencing practice.

It has also been found useful by pharmacists in daily practice as well as several who have practised in somewhat limited fields.

Ten pharmacists enrolled in the course, which included updates on the Poisons Act and Regulations, the Pharmaceutical Benefits Scheme, antimicrobials, cardiovascular disease and treatment, diabetes, psychotropic drugs, Parkinson's disease, asthma, contraception, hormone replacement therapy and menopause, and an introduction to therapeutic monitoring. A range of commonly-encountered primary health care issues including constipation, diarrhoea, haemorrhoids, gastroesophageal reflux disease, incontinence, fungal infections, pain management and insomnia were also covered.

Practical, hands-on sessions on computer dispensing systems were provided by two major suppliers.

Very generous support by Mayne Healthcare enabled the Council to present the lecture series, special programmes, annual seminar and refresher course while substantial assistance from Guild Insurance and Financial Services enabled the provision of programmes to rural pharmacists.

10. OPIOID PHARMACOTHERAPIES

The Council continued to co-operate with the Department of Health in the delivery of the Community Programme for Opioid Pharmacotherapy (C-POP) which oversees provision of methadone and buprenorphine through pharmacies for the treatment of people who are dependent on substances obtained illicitly.

Clinical and social complexities continued to present opportunity for improvement to the scheme. Both areas received considerable attention including a special forum attended by pharmacists, pharmacy organisations, manufacturers and representatives of the Department of Health.

As at 31 December 2003, there were 2,683 patients authorised to be prescribed methadone and buprenorphine and 316 pharmacies authorised to participate in the C-POP.

11. FELLOWSHIP OF THE SOCIETY

The rules of the Society empower the Council to designate as Fellows members who have attained exceptional proficiency in a field or subject embraced by or related to the practice of pharmacy.

The Council granted an application by Bruce Campbell on this basis.

Bruce joined the other ninety-seven pharmacists whose membership was current at this elevated level.

12. ANNUAL PRIZE AND PRESENTATION NIGHT

One of the most important events on the Society's calendar is its annual prize and presentation night held every year in March.

High achievers in each year of study in the school of pharmacy, in postgraduate studies and in the pre-registration training course were acknowledged before an audience of life members, Council members, supervising pharmacists, family members and the Minister for Health.

A highlight of the event was the presentation of the inaugural Eric Kirk Memorial Award.

Eric Kirk was an eminent leader who was responsible for significant developments in the profession. An award which recognises outstanding contribution to the development of professional practice in Western

Australia was instituted to commemorate his legacy and was presented for the first time in 2003 to Constantine Berbatis.

New registrants and members who had been elevated to the status of Fellow were presented to the Society.

Generous sponsorship by Pharmaceutical Defence Limited and Sigma W.A. Limited enabled the staging of this major event.

13. J. M. O'HARA RESEARCH FUND

As part of its statutory duty of managing the Pharmaceutical Society of Western Australia the Council has managed the Society's J M O'Hara Research Fund since it was established in 1976.

The Fund's objects include the granting of assistance for research in any branch of pharmaceutical sciences or in any aspect of the practice of pharmacy.

Grants totalling \$76,000 have been provided over the years to Society members to assist with research projects.

Three projects were current at the end of the year. They were granted assistance totalling almost \$25,000.

The Fund's assets stood at \$163,716 and have been accumulated entirely from the donations of Society members and interest.

14. COMMUNICATION WITH MEMBERS

Council continued to provide its regular bulletin, *Rescript*, to every member of the Society.

The publication brought contributions from the Society of Hospital Pharmacists, the School of Pharmacy, disease foundations and associations, regular articles on counselling and complementary medicines as well as the more traditional articles on practice matters, continuing education, register changes and the President's comments on items of current interest.

15. COUNCIL OF PHARMACY REGISTERING AUTHORITIES

The Council is a member of the Council of Pharmacy Registering Authorities Inc. (COPRA). Other members are the Pharmacy and Pharmacists' Boards of Australian States and Territories and New Zealand while affiliate membership has been accorded to the Committee of Heads of Pharmacy Schools of Australia and New Zealand and Australian Pharmacy Examining Council.

COPRA provides a focal point for coordinating the activities of its members to achieve as much consistency as possible nationally and internationally in the application of the various laws and practices which affect pharmacy. It also provides a forum for discussion of developments in the profession both nationally and internationally.

Through special purpose committees it assesses continuing education courses and providers as well as schools of pharmacy and their courses in universities in both Australia and New Zealand.

Matters which received attention during the year included:

- Medication management and compounding
- Reviews of state and territory legislation
- Supply of pseudoephedrine
- Education and pre-registration training
- Dispensing errors
- Distance dispensing
- Competency standards and
- Dispensary assistants and technicians

16. REPRESENTATION ON OTHER BODIES

The Council was actively represented on the following bodies:

Australian Pharmacy Examining Council
Council of Pharmacy Registering Authorities
Pharmaceutical Society of Australia
Poisons Advisory Committee
Opioid Pharmacotherapies Advisory Committee
WA Council on the Ageing
Australian Council of Professions
Therapeutic Goods Administration - Trans Tasman Group Advertising Secretariat
New Zealand & Australian Pharmacy Schools Accreditation Committee

17. REPRESENTATION OF THE PROFESSION

Council representatives met with the former Minister for Health to discuss a range of issues and with ministerial staff to discuss proposed legislation.

The profession was represented in meetings with:

The Health Insurance Commission
The Royal Australian College of General Practice
Officers of the Department of Health
Officers of the Police Service
Pharmaceutical Manufacturers
The Insurance Council
The State Administrative Tribunal

18. LEGISLATIVE REQUIREMENTS

The *Public Sector Management Act 1994* requires compliance with the Public Sector Code of Ethics by Councillors and Council staff and their adherence to a Code of Conduct consistent with that Code of Ethics. Council adopted, in 1998, the Code of Conduct after its acceptance by the Public Sector Standards Commissioner. The Code covers issues such as ethical obligations, conduct, accountability and privacy.

The conduct of Council's business and its administrative procedures complied in full with public sector standards, the Public Sector Code of Ethics and Council's Code of Conduct referred to above.

As a public agency which is required to publish an annual report the Council is required by the *Electoral Act 1907* to disclose details of expenditure to certain organisations if that expenditure equalled or exceeded \$1,600 within thirty days after the polling day in a general election.

No such expenditure was incurred.

19. FINANCIAL STATEMENTS

Presentation of financial statements which form the remainder of this report differs from that used in previous years.

This new form reflects the need to regularise the way in which the Council holds property on behalf of the Pharmaceutical Society of Western Australia.

**The Pharmaceutical Council of
Western Australia
(incorporating the Pharmaceutical
Society of Western Australia)**

**Special Purpose
Financial Report
Year ended
31 December 2003**

The Pharmaceutical Council of Western Australia

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The Pharmaceutical Council of Western Australia
Profit and loss account
For the year ended 31 December 2003

	2003 \$	2002 \$
Income		
Course fees - APEC	750	1,600
Education	83,988	43,426
Expense recoveries	11,043	10,409
Handbook fees	14,782	16,163
Income from fines & costs	6,810	885
Interest received	34,082	29,179
Journals	89,567	94,533
Licences	240,100	234,163
Registration of premises	113,709	113,000
Registration / letters of identification	5,711	6,599
Profit on sale of non-current assets	-	2,070
Publications for sale	127,349	296,384
Rent received	5,502	11,004
Subscriptions	365,611	355,568
Sundry income	5,028	6,197
Trainees	135,457	129,746
Total income	1,239,489	1,350,926
Expenditure		
Advertising	267	200
Audit & accountancy fees	30,800	9,365
Bank and credit card charges	10,754	19,171
Computer software and consulting	2,640	4,462
Depreciation – buildings	5,261	9,701
Depreciation – computer equipment	4,928	5,824
Depreciation – motor vehicles	12,689	8,239
Depreciation – phone system	128	114
Depreciation – office equipment	7,159	5,905

The profit and loss account is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 4 to 21.

The Pharmaceutical Council of Western Australia
Profit and loss account
For the year ended 31 December 2003

	2003 \$	2002 \$
Education	57,919	41,233
Electricity	5,670	4,103
Entertainment expenses	72	646
Fringe benefits tax	18,128	23,016
Function expenses	13,975	13,383
Handbook expenses	3,602	2,260
Insurance	3,154	3,293
Journals	79,185	85,377
Legal costs	94,407	37,995
Locum fees	30,841	33,880
Loss on sale of non-current assets	1,178	-
Motor vehicle expenses	8,434	9,259
Newsletter expenses	37,594	31,690
Office expenses	1,893	2,267
Postage, taxis and messengers	12,903	13,120
Printing & stationery	14,700	13,897
Property expenses	15,970	18,668
Publications for sale	125,990	231,827
Public relations and representations	8,861	11,757
Salaries	347,951	333,275
Subscriptions	51,938	73,212
Superannuation contributions	60,051	71,319
Telephone	12,035	12,471
Trainees	79,092	73,157
Travelling expenses	16,736	26,290
Total expenditure	1,176,905	1,230,376
Operating profit before related income tax expense	62,584	120,550
Income tax expense relating to ordinary activities	5	-
Net profit	62,584	120,550

The profit and loss account is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 4 to 21.

The Pharmaceutical Council of Western Australia

Balance sheet

As at 31 December 2003

	Note	2003 \$	2002 \$
Current assets			
Cash assets	6	907,172	781,340
Receivables	7	37,814	52,395
Inventories	8	6,106	5,296
Other	9	36,661	5,748
Total current assets		987,753	844,779
Non-current assets			
Property, plant and equipment	10	136,357	685,774
Total non-current assets		136,357	685,774
Total assets		1,124,110	1,530,553
Current liabilities			
Payables	11	129,796	71,866
Provisions	12	117,795	115,942
Other	13	9,298	3,000
Total current liabilities		256,889	190,808
Total liabilities		256,889	190,808
Net assets		867,221	1,339,745
Members' equity			
Members' funds	14	808,608	1,124,165
Other funds (reserves)	15	58,613	215,580
Total members' equity		867,221	1,339,745

The balance sheet is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 4 to 21.

The Pharmaceutical Council of Western Australia
Notes to and forming part of the financial statements
For the year ended 31 December 2003

1 Statement of significant accounting policies

The significant policies which have been adopted in the preparation of this financial report are:

(a) Basis of preparation

In accordance with the operating structure of the Pharmaceutical Council of Western Australia ("the Council") as set out in Note 2, the financial report of the Council contains the financial transactions of both the Pharmaceutical Council of Western Australia and the Pharmaceutical Society of Western Australia ("the Society").

In the opinion of the Council's management, the Council is not a reporting entity. The financial report of the Council has been drawn up as a special purpose financial report for the purpose of fulfilling the requirements of the Pharmacy Act 1964, the Rules of the Society, and for distribution to the members of the Society.

The financial report has been prepared on the accrual basis of accounting as defined in AAS 6 *Accounting Policies* using the historical cost convention and going concern assumption. Except where stated, it does not take into account changing money values or current valuations of non-current assets. Except where stated, the accounting policies have been consistently applied.

The financial report has been prepared in accordance with the requirements of the Pharmacy Act 1964 and the Rules of the Society. The recognition and measurement aspects of all applicable Australian Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board that have a material effect have also been applied despite them not having mandatory applicability to the Council. However the financial report does not include the disclosure requirements of the following pronouncements having a material effect:

■ AAS 4	Depreciation
■ AAS 28	Statement of Cash Flows
■ AAS 33	Presentation and Disclosure of Financial Instruments
■ AAS 36	Statement of Financial Position
■ AAS 37	Financial Report Presentation and Disclosures
■ AASB 1018	Statement of Financial Performance
■ AASB 1028	Employee Benefits
■ AASB 1041	Revaluation of Non-Current Assets

(b) Revenue recognition – Note 2

Revenues are recognised at fair value of the consideration received net of the amount of goods and services tax (GST) payable to the taxation authority.

Revenue from all sources is generally recognised when received.

The Pharmaceutical Council of Western Australia
Notes to and forming part of the financial statements
For the year ended 31 December 2003

1 Statement of significant accounting policies (continued)

(b) Revenue recognition (Continued)

Interest revenue

Interest revenue is recognised when it is received.

Rental income

Rental income is recognised when the invoice is raised.

Sale of non-current assets

The gross proceeds of non-current asset sales are included as revenue at the date control of the asset passes to the buyer, usually when an unconditional contract of sale is signed.

The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal.

(c) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). 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 are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

(d) Taxation

The income of the Council derived from its statutory function is exempt from income tax under Section 50-25 of the Income Tax Assessment Act 1997 due to its status as a public authority constituted under an Australian law. The income of the Council derived from its society function is subject to income tax on non-mutual profits, that is the effect of mutual dealings with the members of the Society are excluded when calculating taxable income.

(e) Acquisitions of assets

All assets acquired including property, plant and equipment are initially recorded at their cost of acquisition at the date of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition.

The Pharmaceutical Council of Western Australia
Notes to and forming part of the financial statements
For the year ended 31 December 2003

1 Statement of significant accounting policies (continued)

(e) Acquisitions of assets (Continued)

Where settlement of any part of cash consideration is deferred, the amounts payable are recorded at their present value, discounted at the rate applicable to the company if a similar borrowing were obtained from an independent financier under comparable terms and conditions.

Expenditure other than research and development, is only recognised as an asset when the entity controls future economic benefits as a result of the costs incurred, it is probable that those future economic benefits will eventuate, and the costs can be measured reliably.

Subsequent additional costs

Costs incurred on assets subsequent to initial acquisition are capitalised when it is probable that future economic benefits in excess of the originally assessed performance of the asset will flow to the entity in future years.

Costs that do not meet the criteria for capitalisation are expensed as incurred.

(f) Cash assets— Note 6

Cash assets are carried at face value of the amounts deposited or drawn. The carrying amounts of cash assets approximate net fair value.

(g) Receivables – Note 7

The collectability of debts is assessed at year-end and specific provision is made for any doubtful accounts.

The carrying amount of receivables approximates net fair value.

(h) Inventories – Note 8

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

The Pharmaceutical Council of Western Australia
Notes to and forming part of the financial statements
For the year ended 31 December 2003

1 Statement of significant accounting policies (continued)

(i) Recoverable amount of non-current assets valued on cost basis

The carrying amounts of non-current assets valued on the cost basis are reviewed to determine whether they are in excess of their recoverable amount at balance date. If the carrying amount of a non-current asset exceeds its recoverable amount, the asset is written down to the lower amount. The write-down is recognised as an expense in the net profit or loss in the reporting period in which it occurs.

Where a group of assets working together supports the generation of cash inflows, recoverable amount is assessed in relation to that group of assets.

In assessing recoverable amounts of non-current assets, the relevant cash flows have not been discounted to their present value, except where specifically stated.

Except where specifically stated, non-current assets are recorded at the lower of cost and recoverable amount.

(j) Depreciation and amortisation

Useful lives

All non-current assets, except the historical museum, have limited useful lives and are depreciated/amortised using the straight-line method over their estimated useful lives.

Assets are depreciated or amortised from the date the asset is available and ready for use.

Depreciation and amortisation rates and methods are reviewed annually for appropriateness. When changes are made, adjustments are reflected prospectively in current and future periods only. Depreciation and amortisation are expensed, except to the extent that they are included in the carrying amount of another asset as an allocation of production overheads.

(k) Payables – Note 11

Liabilities are recognised for amounts to be paid in the future for goods or services received. Trade accounts payable are normally settled within 30 days. The carrying amount of accounts payable approximates net fair value.

The Pharmaceutical Council of Western Australia
Notes to and forming part of the financial statements
For the year ended 31 December 2003

1 Statement of significant accounting policies (continued)

(l) Employee benefits – Note 12

The provisions for employee entitlements to annual leave and long service leave represent present obligations resulting from employees' services provided up to the balance date, calculated at undiscounted amounts based on current wage and salary rates.

2 Operating structure and developments

The Pharmaceutical Council of Western Australia is a body corporate constituted by Section 7 of the Pharmacy Act 1964 for the purposes of:

- (a) the management of the Pharmaceutical Society of Western Australia which has its own objects as set out in its Rules as initially adopted on 10 May 1895 (the Society function); and
- (b) the administration of the Pharmacy Act 1964 relating to registration and licensing of pharmaceutical chemists and pharmacies, and disciplinary matters relating to the practice of pharmaceutical chemists (the Statutory function).

The Council also has a discretionary role in education and research. All other activities and functions of the Council may properly be categorised as being carried out by the Council as the manager and on behalf of the Society.

The Pharmaceutical Society of Western Australia was established as an unincorporated association in Western Australia on 24 October 1892.

The objects of the Society are stated in its Rules and are much wider than the functions of the Council. They include the general protection of the character, status and interests of pharmaceutical chemists, the promotion of improvements in laws affecting pharmaceutical chemists, advancement of the study of pharmacy, and assistance to necessitous and incapacitated members and former members.

The Council, as a body corporate, is capable of acquiring, holding and disposing of real and personal property. On the other hand the Society, as an unincorporated association has no independent existence as a legal entity capable of holding property in its own right.

The Pharmacy Act 1964 provides that every person who is registered as a pharmaceutical chemist under the provisions of the Pharmacy Act 1964 shall be a member of the Society. The Rules of the Society provide that every pharmaceutical chemist shall be a member of the Society. As a consequence the membership of the profession of pharmaceutical chemists, which is subject to regulation by the Council under the Pharmacy Act 1964, is co-existent with the membership of the Society.

The Pharmaceutical Council of Western Australia
Notes to and forming part of the financial statements
For the year ended 31 December 2003

2 Operating structure and developments (continued)

The Statutory function and the Society function of the Council have always been inextricably mixed.

Since the establishment of the Society the financial records of the Council have not distinguished the sources and application of capital and income between these two functions with the exception of certain special purpose funds relating to particular activities of the Council as manager of the Society. Refer Note 15 for details of these special purpose funds.

As a consequence the funds arising from or applied to the Society function and the funds arising from or applied to the Statutory function have been intermingled at all material times and there is no requirement for the Council to segregate these funds.

The Council is empowered by Section 16 of the Pharmacy Act 1964 to use the funds vested in it for the purposes of the Act being both the Statutory function and the Society function.

Section 16 of the Pharmacy Act 1964 provides that the funds of the Council shall consist, inter alia, of money or property that comes into the hands of the Council for the purposes of the Pharmacy Act 1964. In line with this, the funds of the Council have been acquired, inter alia, by:

- (a) registration and licence fees paid in respect of the registration and licensing of pharmaceutical chemists by the Council pursuant to the Pharmacy Act 1964;
- (b) donations from members of the Society to the funds of the Society but subject to any trusts declared in relation thereto;
- (c) subscriptions and special levies received from the members of the Society in their capacity as members;
- (d) accretions to funds from investments and from the sale of capital assets.

Given the above, it must be noted that all real and personal property acquired for the purposes of the Council has been held in the name of the Council, including real and personal property which has been acquired for the purposes of the Society or acquired by application of funds provided by members of the Society or arising from activities of the Society. On this basis the assets included in these financial statements are available for use by the Council in both its Statutory function and its Society function.

The Council has carried out extensive investigations of its books and records and has obtained independent accounting and legal advice. As part of these investigations a former Registrar of the Council carried out a detailed analysis of the source and application of funds held by the Council since between 1936 and 2002 and allocated these funds to either the Statutory function or the Society function.

The Pharmaceutical Council of Western Australia
Notes to and forming part of the financial statements
For the year ended 31 December 2003

2 Operating structure and developments (continued)

This analysis established that on an accumulated basis and in a majority of financial years the funds derived from the Society function were applied to meet a deficiency in funds required for the Statutory function with the consequence that the Society function subsidised the Statutory function.

Further it established that the accumulated funds held by the Council as at 31 December 2002 represented a cumulative deficit arising from the Statutory function and a cumulative surplus arising from the Society function. As a consequence of this, the Council determined that the net assets of the Council represent assets that have been derived from the Society function and are properly represented in the financial statements of the Council as Members' funds.

Given the above and based on legal advice received that the Council holds various assets on trust for the members from time to time of the Society, the Council considered that, in accordance with the functions, powers and authority of the Council under the Pharmacy Act 1964 and the obligations of the Council as manager of the Society, it was appropriate to ensure that the beneficial ownership of these various assets should be in the members of the Society from time to time.

As a result the Council entered into a Deed of Trust on 17 July 2003 in order to formalise and explicate the capacity in which it holds these various assets as trustee for and on behalf of the members of the Society from time to time.

The effect of the Deed of Trust was that the Council declared that with effect from 17 July 2003 it holds the land and buildings situated at 21 Hamilton Street, Subiaco on trust for the members of the Society from time to time in their capacity as members with the intent and to the effect that the land and buildings shall be held and applied by the Council in accordance with the objects of the Society from time to time. Refer to Note 4 and Note 10 as to the effect of this Deed of Trust on the financial statements of the Council.

The Deed of Trust provides that the Council, as trustee, may from time to time add to and hold as part of this trust fund any real or personal property in any form including money which is, inter alia, held or acquired by the Council (whether held or acquired before or after 17 July 2003) in any other manner and is declared by the Council to form part of the trust fund. As at the date of this report the Council has not made any such declarations to add to the trust fund but intends to do so in the near future. For details of the trust fund as at 31 December 2003 refer to Note 4.

Notwithstanding the declaration of trust in relation to the land and buildings, the Deed of Trust has reserved the power of the Council under Section 16 of the Pharmacy Act 1964 to use the funds vested in it for the purposes of the Act including the Statutory function.

The Pharmaceutical Council of Western Australia
Notes to and forming part of the financial statements
For the year ended 31 December 2003

3 Segment reporting

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Business segments

The Council operates the following two business segments or functions:

Statutory function Revenue is statutory based and regulated fees are charged for the annual licensing of pharmaceutical chemists, the annual registration of pharmacies and the initial registration of new pharmaceutical chemists. Non-regulated fees charged for providing the pre-registration training of new pharmaceutical chemists is also statutory based revenue.

Society function Revenue comprises the annual membership subscription fee and the subscription to various technical journals as well as revenue from the sale of technical books and the conduct of professional education courses.

	Statutory Function		Society Function		Total	
	2003	2002	2003	2002	2003	2002
	\$	\$	\$	\$	\$	\$
Primary reporting – Business segments						
Income						
Course fees - APEC	750	1,600	-	-	750	1,600
Education	-	-	83,988	43,426	83,988	43,426
Expense recoveries	4,146	1,760	6,897	8,649	11,043	10,409
Handbook fees	-	-	14,782	16,163	14,782	16,163
Income from fines & costs	6,810	885	-	-	6,810	885
Interest received	34,082	29,179	-	-	34,082	29,179
Journals	-	-	89,567	94,533	89,567	94,533
Licences	240,100	234,163	-	-	240,100	234,163
Registration of premises	113,709	113,000	-	-	113,709	113,000
Registration / letters of identification	5,711	6,599	-	-	5,711	6,599
Profit on sale of non-current assets	-	1,449	-	621	-	2,070
Publications for sale	-	-	127,349	296,384	127,349	296,384

The Pharmaceutical Council of Western Australia
Notes to and forming part of the financial statements
For the year ended 31 December 2003

3 Segment reporting (continued)

	Statutory Function		Society Function		Total	
	2003	2002	2003	2002	2003	2002
	\$	\$	\$	\$	\$	\$
Primary reporting –						
Business segments (continued)						
Rent received	5,502	11,004	-	-	5,502	11,004
Subscriptions	-	-	365,611	355,568	365,611	355,568
Sundry income	-	-	5,028	6,197	5,028	6,197
Trainees	135,457	129,746	-	-	135,457	129,746
Total income	546,267	529,385	693,222	821,541	1,239,489	1,350,926
Expenditure						
Advertising	267	200	-	-	267	200
Audit & accountancy fees	7,925	3,489	22,875	5,876	30,800	9,365
Bank and credit card charges	10,754	19,171	-	-	10,754	19,171
Computer software and consulting	1,848	3,123	792	1,339	2,640	4,462
Depreciation – buildings	3,683	6,791	1,578	2,910	5,261	9,701
Depreciation – computer equipment	3,450	4,077	1,478	1,747	4,928	5,824
Depreciation – motor vehicles	10,659	6,921	2,030	1,318	12,689	8,239
Depreciation – phone system	90	80	38	34	128	114
Depreciation – office equipment	5,011	4,133	2,148	1,772	7,159	5,905
Education	-	-	57,919	41,233	57,919	41,233
Electricity	3,969	2,872	1,701	1,231	5,670	4,103
Entertainment expenses	72	646	-	-	72	646
Fringe benefits tax	15,228	19,333	2,900	3,683	18,128	23,016
Function expenses	6,902	4,621	7,073	8,762	13,975	13,383
Handbook expenses	-	-	3,602	2,260	3,602	2,260
Insurance	2,635	2,710	519	583	3,154	3,293
Journals	-	-	79,185	85,377	79,185	85,377
Legal costs	79,457	10,446	14,950	27,549	94,407	37,995
Locum fees	30,841	33,880	-	-	30,841	33,880

The Pharmaceutical Council of Western Australia
Notes to and forming part of the financial statements
For the year ended 31 December 2003

3 Segment reporting (continued)

	Statutory Function		Society Function		Total	
	2003	2002	2003	2002	2003	2002
	\$	\$	\$	\$	\$	\$
Primary reporting – Business segments (continued)						
Loss on sale of non-current assets	825	-	353	-	1,178	-
Motor vehicle expenses	7,085	7,778	1,349	1,481	8,434	9,259
Newsletter expenses	-	-	37,594	31,690	37,594	31,690
Office expenses	1,325	1,587	568	680	1,893	2,267
Postage, taxis and messengers	9,032	9,184	3,871	3,936	12,903	13,120
Printing & stationery	10,290	9,728	4,410	4,169	14,700	13,897
Property expenses	15,970	18,668	-	-	15,970	18,668
Publications for sale	-	-	125,990	231,827	125,990	231,827
Public relations and representations	8,861	11,757	-	-	8,861	11,757
Salaries	243,566	233,293	104,385	99,982	347,951	333,275
Subscriptions	16,938	2,875	35,000	70,337	51,938	73,212
Superannuation contributions	42,916	50,803	17,135	20,516	60,051	71,319
Telephone	8,424	8,730	3,611	3,741	12,035	12,471
Trainees	79,092	73,157	-	-	79,092	73,157
Travelling expenses	16,736	26,290	-	-	16,736	26,290
Total expenditure	643,851	576,343	533,054	654,033	1,176,905	1,230,376
Operating profit / (loss) before related income tax expense	(97,584)	(46,958)	160,168	167,508	62,584	120,550
Income tax expense relating to ordinary activities	-	-	-	-	-	-
Net profit / (loss)	(97,584)	(46,958)	160,168	167,508	62,584	120,550

The Pharmaceutical Council of Western Australia
Notes to and forming part of the financial statements
For the year ended 31 December 2003

3 Segment reporting (continued)

	Statutory Function		Society Function		Total	
	2003	2002	2003	2002	2003	2002
	\$	\$	\$	\$	\$	\$
Primary reporting –						
Business segments (continued)						
Current assets						
Cash assets	884,481	758,821	22,691	22,519	907,172	781,340
Receivables	12,019	10,477	25,795	41,918	37,814	52,395
Inventories	-	-	6,106	5,296	6,106	5,296
Other	999	928	35,662	4,820	36,661	5,748
Total current assets	897,499	770,226	90,254	74,553	987,753	844,779
Non-current assets						
Property, plant and equipment	86,595	633,987	49,762	51,787	136,357	685,774
Total non-current assets	86,595	633,987	49,762	51,787	136,357	685,774
Total assets	984,094	1,404,213	140,016	126,340	1,124,110	1,530,553
Current liabilities						
Payables	70,207	30,714	59,589	41,152	129,796	71,866
Provisions	86,893	90,285	30,902	25,657	117,795	115,942
Other	1,087	-	8,211	3,000	9,298	3,000
Total current liabilities	158,187	120,999	98,702	69,809	256,889	190,808
Total liabilities	158,187	120,999	98,702	69,809	256,889	190,808
Net assets	825,907	1,283,214	41,314	56,531	867,221	1,339,745

4 Trustee

Pursuant to a Deed of Trust executed by the Council on 17 July 2003, the Council was appointed trustee of a trust fund which is held and applied by the Council in accordance with the objects of the Society and enjoyed and used for the benefit of the Members of the Society.

The Deed of Trust provides that the trustee may from time to time add to and hold as part of the trust fund any real or personal property in any form including money which is held or is acquired by the Council (whether held or acquired before or after 17 July 2003) in any other manner and is declared by the Council to form part of the trust fund.

The Pharmaceutical Council of Western Australia
Notes to and forming part of the financial statements
For the year ended 31 December 2003

4 Trustee (continued)

As at 31 December 2003 the trust fund comprised only the land and buildings situated at 21 Hamilton Street, Subiaco and the income, expenses and balance date adjustments relating to this asset since 17 July 2003.

The Council intends in the near future to make further declarations to add to the trust fund but no such declarations have been made between year end and the date of this report.

It must be noted that the Council has specific duties under the Pharmacy Act 1964 which do not relate to its management of the Society. The creation of the trust, and the transfer of assets to the trust fund do not limit the capacity of the Council to fulfil these statutory duties. The Council as trustee must be empowered to apply funds of the trust, if necessary, to enable the Council to fulfil its statutory duties.

Details of the assets and liabilities of the trust held for the Members of the Pharmaceutical Society of Western Australia as at 31 December 2003 are as follows:

	2003 \$	2002 \$
Current assets	6,266	-
Non-current assets	527,046	-
Total assets	533,312	-
Current liabilities	-	-
Non-current liabilities	-	-
Total liabilities	-	-
Net trust assets	533,312	-

As trustee, the Council is liable for the debts of this trust fund. However except for any debt, liability or other obligation incurred in relation to any fraud, wilful default, negligence or breach of trust by the trustee, the Deed of Trust provides that the trustee is entitled to be indemnified out of the trust fund in respect of any reasonable debt or other obligation incurred by the trustee as trustee of the trust fund.

The Pharmaceutical Council of Western Australia
Notes to and forming part of the financial statements
For the year ended 31 December 2003

	2003 \$	2002 \$
5 Income tax		
Prima facie income tax expense calculated at 30% on the profit from ordinary activities	18,775	36,165
Increase in income tax expense due to:		
Exempt statutory function loss	29,275	14,087
Society function non-mutual loss	4,137	5,344
Decrease in income tax expense due to:		
Non-assessable society function mutual net income	(52,187)	(55,596)
Income tax expense attributable to profit from ordinary activities	-	-
6 Cash assets		
Cash on hand	150	150
Cash at bank	42,467	10,813
Cash management account	841,864	747,858
Term deposit – MJ Humphries Fund	-	125
Term deposit – Benevolent Fund	3,913	3,451
Investment savings account – Chapter of Pharmacy History	16,243	16,197
At call account – HM Lyons Prize Fund	2,535	2,746
	907,172	781,340
7 Receivables		
Current		
Sundry debtors	20,309	33,424
GST paid	17,437	18,909
Accrued income	68	62
	37,814	52,395
8 Inventories		
Current		
Stock on hand – at cost	6,106	5,296
	6,106	5,296

The Pharmaceutical Council of Western Australia
Notes to and forming part of the financial statements
For the year ended 31 December 2003

	2003 \$	2002 \$
9 Other assets		
Current		
Prepayments	36,661	5,748
	<u>36,661</u>	<u>5,748</u>
10 Property, plant and equipment		
Land and buildings – 21 Hamilton Street, Subiaco		
At valuation - land	-	199,686
At valuation - buildings	-	388,314
At valuation - property improvements	-	16,759
	-	<u>604,759</u>
Accumulated depreciation	-	<u>(68,013)</u>
	-	<u>536,746</u>
Historical museum		
At cost	23,634	23,634
Accumulated depreciation	-	-
	<u>23,634</u>	<u>23,634</u>
Motor vehicles		
At cost	69,094	69,094
Accumulated depreciation	(14,171)	(1,482)
	<u>54,923</u>	<u>67,612</u>
Office equipment		
At cost	151,175	163,175
Accumulated depreciation	(110,623)	(113,922)
	<u>40,552</u>	<u>49,253</u>
Computer equipment		
At cost	57,355	49,580
Accumulated depreciation	(46,418)	(41,490)
	<u>10,937</u>	<u>8,090</u>
Phone system		
At cost	8,057	2,057
Accumulated depreciation	(1,746)	(1,618)
	<u>6,311</u>	<u>439</u>
Total property, plant and equipment		
Net book value	<u>136,357</u>	<u>685,774</u>

On 17 July 2003 the Council executed a Deed of Trust declaring that with effect from that date the land and buildings situated at 21 Hamilton Street, Subiaco were held on trust by the Council for the Members of the Society from time to time in their capacity as Members with the intent

The Pharmaceutical Council of Western Australia
Notes to and forming part of the financial statements
For the year ended 31 December 2003

10 Property, plant and equipment (continued)

and to the effect that the land and buildings shall be held and applied by the Council in accordance with the objects of the Society and enjoyed and used for the benefit of the Members of the Society from time to time subject to and in accordance with the Rules of the Society.

The effect of the Deed of Trust was that the land and buildings were transferred from the Council to a trust on 17 July 2003 for \$531,485, being the written down value of the land and buildings as at that date. Notwithstanding this, the Council remains the registered proprietor of and land and buildings but in its capacity as trustee for the Members of the Society with effect from 17 July 2003 in accordance with the Deed of Trust. Refer to Note 2 for further details.

	2003 \$	2002 \$
11 Payables		
Sundry creditors and accruals	123,056	66,640
GST collected	6,740	5,226
	<u>129,796</u>	<u>71,866</u>
12 Provisions		
Current		
Provision for annual leave	53,037	48,485
Provision for long service leave	64,758	67,457
	<u>117,795</u>	<u>115,942</u>
13 Other liabilities		
Current		
Income in advance	9,298	3,000
	<u>9,298</u>	<u>3,000</u>
14 Members' funds		
Balance at the beginning of the year	1,124,165	1,003,615
Operating profit	62,584	120,550
Declaration of trust	(535,290)	-
Transfer from asset revaluation reserve	157,149	-
Balance at the end of the year	<u>808,608</u>	<u>1,124,165</u>

Members' funds have accumulated since the foundation of the Society in 1892. A former Registrar recently undertook an analysis of the historical accumulation of these funds since 1936. The result of this analysis was that on an accumulated basis and in a majority of financial years the funds derived from the Society function were applied to meet a deficiency in funds

The Pharmaceutical Council of Western Australia

Notes to and forming part of the financial statements

For the year ended 31 December 2003

14 Members' funds (continued)

required for the Statutory function with the consequence that the Society function subsidised the Statutory function. The analysis further established that the accumulated funds held by the Council as at 31 December 2002 represented a cumulative deficit arising from the Statutory function and a cumulative surplus arising from the Society function. This trend continues and is supported by the results of each function for the current financial year as set out in Note 3.

The above analysis leads to the conclusion that the members' funds as set out above can be attributed to the Society function and therefore are subject to the Rules of the Society. However Rule 4 of the Rules of the Society provides that no portion of the income or property of the Society shall be paid or transferred, directly or indirectly, by way of dividend, bonus or otherwise by way of profit to the persons who at any time are, or have been, or may thereafter be, members of the Society, or to any of them, or to any person claiming through any of them.

Given this, to allow for the above declaration of trust to be executed, Rule 4 was amended in general meeting of the members of the Society on 26 March 2003. The amendment now allows members of the Society to hold beneficial interests under a trust to promote the objects of the Society, and being for the benefit of present and future members in their capacity as members.

	Note	2003 \$	2002 \$
15 Reserves			
Asset revaluation reserve		-	157,149
Benevolent Fund		3,913	3,451
MJ Humphries Prize Fund		-	125
Reward Fund		12,288	12,278
HM Lyons Prize Fund		2,535	2,746
Chapter of Pharmacy History		39,877	39,831
		<u>58,613</u>	<u>215,580</u>

Movements during the year

Asset revaluation reserve

Balance at the beginning of the year		157,149	157,149
<i>Movements</i>			
Transfer to members' funds following declaration of trust	14	(157,149)	-
Balance at the end of the year		<u>-</u>	<u>157,149</u>

The Pharmaceutical Council of Western Australia
Notes to and forming part of the financial statements
For the year ended 31 December 2003

	Note	2003 \$	2002 \$
15 Reserves (continued)			
Movements during the year (continued)			
<i>Benevolent Fund</i>			
Balance at the beginning of the year		3,451	3,451
<i>Movements</i>			
Income: donations received		462	-
Balance at the end of the year		<u>3,913</u>	<u>3,451</u>
<i>MJ Humphries Prize Fund</i>			
Balance at the beginning of the year		125	404
<i>Movements</i>			
Income: interest		3	21
Expenditure: prizes		(128)	(300)
Balance at the end of the year		<u>-</u>	<u>125</u>
<i>Reward Fund</i>			
Balance at the beginning of the year		12,278	12,278
<i>Movements</i>			
Income: donations received		10	-
Balance at the end of the year		<u>12,288</u>	<u>12,278</u>
<i>HM Lyons Prize Fund</i>			
Balance at the beginning of the year		2,746	2,951
<i>Movements</i>			
Income: interest		89	95
Expenditure: prizes		(300)	(300)
Balance at the end of the year		<u>2,535</u>	<u>2,746</u>

The Pharmaceutical Council of Western Australia
Notes to and forming part of the financial statements
For the year ended 31 December 2003

	Note	2003 \$	2002 \$
15 Reserves (continued)			
Movements during the year (continued)			
<i>Chapter of Pharmacy History</i>			
Balance at the beginning of the year		39,831	37,508
<i>Movements</i>			
Income: donations received		40	2,320
interest		6	3
Balance at the end of the year		<u>39,877</u>	<u>39,831</u>
Represented by:			
Cash at bank	6	16,243	16,197
Historical museum	10	<u>23,634</u>	<u>23,634</u>
		<u>39,877</u>	<u>39,831</u>

16 Events subsequent to balance date

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Council, to affect significantly the operations of the Council, the results of those operations, or the state of affairs of the Council in future financial years.

Statement by Council

In the opinion of the Pharmaceutical Council of Western Australia:

- (a) the Council is not a reporting entity;
- (b) the financial statements and notes thereto, set out on pages 1 to 21, are drawn up, in accordance with the basis of accounting described in Note 1(a), so as to present fairly the financial position of the Council as at 31 December 2003 and its performance, as represented by the results of its operations, for the year ended on that date; and
- (c) there are reasonable grounds to believe that the Council will be able to pay its debts as and when they become due and payable.

Dated at Bentley this 22nd day of June 2004.

Signed in accordance with a resolution of the Council:


Michael Garlepp
Deputy President



Independent Audit Report to the Pharmaceutical Council of Western Australia

Scope

We have audited the financial report of the Pharmaceutical Council of Western Australia for the financial year ended 31 December 2003 being a special purpose financial report consisting of the profit and loss account, balance sheet and accompanying notes 1 to 16. The Council's management are responsible for the financial report. The Council's management have determined that the accounting policies used and described in Note 1 to the financial statements are appropriate to meet the requirements of the Pharmacy Act 1964 and the needs of the Council's management. We have conducted an independent audit of this financial report in order to express an opinion on it to the Council's management. No opinion is expressed whether the accounting policies used, and described in Note 1, are appropriate to the needs of the Council's management.

The financial report has been prepared for the purpose of fulfilling the requirements of the Pharmacy Act 1964. We disclaim any assumption of responsibility for any reliance on this report, or on the financial report to which it relates, to any person other than the Council's management, or for any purpose other than that for which it was prepared.

Our audit has been conducted in accordance with Australian Auditing Standards. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with the basis of accounting described in Note 1(a) to the financial statements, so as to present a view which is consistent with our understanding of the Council's financial position and performance, as represented by the results of its operations. These policies do not require the application of all accounting standards nor other mandatory professional reporting requirements in Australia.

The audit opinion expressed in this report has been formed on the above basis.

Audit opinion

In our opinion, the financial report of the Pharmaceutical Council of Western Australia is properly drawn up so as to present fairly the Council's financial position as at 31 December 2003 and its performance for the year ended on that date, in accordance with the basis of Australian accounting described in Note 1(a) to the financial statements.

KPMG

KPMG

Robert Kelly

ROBERT KELLY

Partner

Perth

22nd June 2004



PHARMACEUTICAL SOCIETY OF WESTERN AUSTRALIA

LIFE MEMBERS

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G.A. HEEDES M.P.S.

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