

**ASSOCIATION OF HOSPITAL PHARMACISTS**

**ABN 72 520 393 213**

**ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2019**



**ASSOCIATION OF HOSPITAL PHARMACISTS**  
**ABN 72 520 393 213**

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This financial report covers the Association of Hospital Pharmacists ("AHP") as an individual entity. The financial report is presented in the Australian currency.

The Association of Hospital Pharmacists is a trade union registered in Victoria under Trades Union Act 1958 (Vic). The purpose of AHP is providing assistance to members employed in the occupation of pharmacists in hospitals. The members of the AHP are also the members of the Health Services Union Victoria No 4 Branch.

*The principal place of business is:*  
Association of Hospital Pharmacists  
Level 1, 62 Lygon Street  
CARLTON SOUTH VIC 3053

The financial report was authorised for issue by the committee on 6 August 2019.

**ASSOCIATION OF HOSPITAL PHARMACISTS**  
**ABN 72 520 393 213**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2019**

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|  | Note | 2019<br>\$          | 2018<br>\$          |
|--|------|---------------------|---------------------|
| Revenue from continuing operations             | 3    | 154,683             | 152,986             |
| Other revenue                                  | 3    | 1,977               | 4,332               |
| <b>Expenses</b>                                |      |                     |                     |
| Administration expenses                        |      | (2,716)             | (1,986)             |
| Affiliation fees                               |      | (14,192)            | (14,893)            |
| Fee to MSAV                                    |      | (115,340)           | (115,405)           |
| Insurance expenses                             |      | (12,335)            | (12,240)            |
| Legal and professional fees                    |      | (1,450)             | (1,410)             |
| Meeting expenses                               |      | (773)               | (197)               |
| Research expenses                              |      | -                   | (2,273)             |
|  |      | <u>(146,806)</u>    | <u>(148,404)</u>    |
| <b>Surplus before income tax</b>               |      | <b>9,854</b>        | <b>8,914</b>        |
| <b>Income tax expense</b>                      |      | <b>-</b>            | <b>-</b>            |
| <b>Surplus for the year</b>                    |      | <b>9,854</b>        | <b>8,914</b>        |
| <b>Other comprehensive income</b>              |      | <b>-</b>            | <b>-</b>            |
| <b>Total comprehensive income for the year</b> |      | <b><u>9,854</u></b> | <b><u>8,914</u></b> |

The above statement of profit or loss or other comprehensive income should be read in conjunction with the accompanying notes.

**ASSOCIATION OF HOSPITAL PHARMACISTS**  
**ABN 72 520 393 213**

**BALANCE SHEET**  
**AS AT 30 JUNE 2019**

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|                                  | <b>Note</b> | <b>2019</b>    | <b>2018</b> |
|----------------------------------|-------------|----------------|-------------|
|                                  |             | <b>\$</b>      | <b>\$</b>   |
| <b>ASSETS</b>                    |             |                |             |
| <b>Current assets</b>            |             |                |             |
| Cash and cash equivalents        | 4           | <b>213,939</b> | 198,193     |
| Other assets                     | 5           | <b>10,302</b>  | 8,901       |
| <b>Total current assets</b>      |             | <b>224,241</b> | 207,094     |
| <b>Total assets</b>              |             | <b>224,241</b> | 207,094     |
| <b>LIABILITIES</b>               |             |                |             |
| <b>Current liabilities</b>       |             |                |             |
| Trade and other payables         | 6           | <b>24,764</b>  | 20,526      |
| Other liabilities                | 7           | <b>47,953</b>  | 44,898      |
| <b>Total current liabilities</b> |             | <b>72,717</b>  | 65,424      |
| <b>Total liabilities</b>         |             | <b>72,717</b>  | 65,424      |
| <b>Net assets</b>                |             | <b>151,524</b> | 141,670     |
| <b>MEMBERS' FUND</b>             |             |                |             |
| Reserves                         | 8           | <b>21,051</b>  | 21,051      |
| Accumulated surplus              | 9           | <b>130,473</b> | 120,619     |
| <b>Total members' fund</b>       |             | <b>151,524</b> | 141,670     |

The above balance sheet should be read in conjunction with the accompanying notes.

**ASSOCIATION OF HOSPITAL PHARMACISTS**  
**ABN 72 520 393 213**

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2019**

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|   | <b>Accumulated<br/>surplus<br/>\$</b> | <b>Reserves<br/>\$</b> | <b>Total<br/>\$</b> |
|---|---------------------------------------|------------------------|---------------------|
| <b>Balance at 1 July 2017</b>           | 111,705                               | 21,051                 | 132,756             |
| Total comprehensive income for the year | 8,914                                 | -                      | 8,914               |
| Transfer to reserve                     | -                                     | -                      | -                   |
| <b>Balance at 30 June 2018</b>          | <u>120,619</u>                        | <u>21,051</u>          | <u>141,670</u>      |
| <br>                                    |                                       |                        |                     |
| <b>Balance at 1 July 2018</b>           | 120,619                               | 21,051                 | 141,670             |
| Total comprehensive income for the year | 9,854                                 | -                      | 9,854               |
| Transfer to reserve                     | -                                     | -                      | -                   |
| <b>Balance at 30 June 2019</b>          | <u>130,473</u>                        | <u>21,051</u>          | <u>151,524</u>      |

The above statement of changes in equity should be read in conjunction with the accompanying notes.

**ASSOCIATION OF HOSPITAL PHARMACISTS  
ABN 72 520 393 213**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2019**

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|   | Note | 2019<br>\$     | 2018<br>\$     |
|---|------|----------------|----------------|
| <b>Cash flows from operating activities</b>               |      |                |                |
| Receipts from members                                     |      | 173,511        | 174,449        |
| Payments to suppliers and employees                       |      | (159,742)      | (175,423)      |
| Interest received   |      | <u>1,977</u>   | <u>1,957</u>   |
| <b>Net cash inflow from operating activities</b>          | 14   | <u>15,746</u>  | <u>983</u>     |
| <b>Net increase in cash and cash equivalents</b>          |      | 15,746         | 983            |
| Cash and cash equivalents at beginning of financial year  |      | <u>198,193</u> | <u>197,210</u> |
| <b>Cash and cash equivalents at end of financial year</b> | 4(a) | <u>213,939</u> | <u>198,193</u> |

The above statement of cash flows should be read in conjunction with the accompanying notes.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

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**1: Summary of significant accounting policies**

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**(a) Basis of preparation**

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board. The Association of Hospital Pharmacists ("AHP") is a not-for-profit entity for the purpose of preparing the financial statements.

*Compliance with Australian Accounting Standards – Reduced Disclosure Requirements*

The financial statements of the AHP comply with the Australian Accounting Standards – Reduced Disclosure Requirements as issued by the Australian Accounting Standards Board (AASB).

*New and amended standards adopted by the AHP*

AHP adopts all of the new and revised Standards and Interpretations issued by the Australian Accounting Board (AASB) that are relevant to the operations and effective for the current annual reporting period. None of them has material impacts on the financial reports of the AHP.

*Early adoption of standards*

The AHP has not elected to apply any other pronouncements before their operative date in the annual reporting period beginning 1 July 2018.

*Historical cost convention*

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instruments), certain classes of property, plant and equipment and investment property – measured at fair value
- assets held for sale – measured at fair value less cost of disposal, and
- retirement benefit obligations – plan assets measured at fair value

*Critical accounting estimates*

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the AHP's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

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**1: Summary of significant accounting policies (Continued)**

**(b) Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of amounts collected on behalf of third parties.

The AHP recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the AHP's activities as described below. The amount of revenue is not considered to be reliably measurable until all relating contingencies have been resolved. The AHP bases its estimates on historical results, taking into consideration the type of transaction and the specifics of each arrangement.

Revenue is recognised for the major operating activities as follows:

*Member subscription*

The subscription year runs from 1 July to 30 June. Most of the subscriptions are payable annually in advance. Only those membership fees and subscription payments that are attributable to the current financial year are recognised as revenue. Fees and subscription payments that relate to future periods are shown in the Balance Sheet as subscription and fees in advance under the heading of other current liabilities.

*Interest income*

Interest income is recognised on a time proportion basis using the effective interest method. When a receivable is impaired, the AHP reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income.

*Other revenue*

Other revenue is recognised when the right to receive the revenue has been established.

All revenue is stated net of the amount of Goods and Services Tax (GST).

**(c) Cash and cash equivalents**

For statement of cash flows presentation purposes, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

**(d) Receivables**

Receivables are recognised and carried at original invoice amount less any allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

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**1: Summary of significant accounting policies (Continued)**

**(e) Financial Liabilities**

**Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, at amortised cost unless or at fair value through profit or loss. All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

The union's financial liabilities include trade and other payables.

**Subsequent measurement**

Financial liabilities at fair value through profit or loss (including designated)

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on liabilities held for trading are recognised in profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in AASB 9 are satisfied.

**Financial liabilities at amortised cost**

After initial recognition, trade payables and interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

**Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

**(f) Goods and Service Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the Australian Taxation Office (ATO). In this case, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense.

Receivables and payables in the balance sheet are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from, or payable to the ATO as classified as operating cash flow.

Commitments and contingencies are disclosed inclusive of GST.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019**

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**1: Summary of significant accounting policies (Continued)**

**(g) Functional and presentation currency**

Items included in the financial report are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial report is presented in Australian dollars, which is the AHP's functional and presentation currency.

**(h) Impairment of assets**

Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

**(i) Comparative figures**

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

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**2: Critical accounting estimates and judgements**

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the AHP and that are believed to be reasonable under the circumstances.

**(a) Critical accounting estimates and assumptions**

The AHP makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. None of the estimates and assumptions are expected to have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**(b) Critical judgments in applying the AHP's accounting policies**

No critical judgements have made in the process of applying the AHP's accounting policies.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

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**3: Revenue**

|                                   | 2019<br>\$            | 2018<br>\$            |
|-----------------------------------|-----------------------|-----------------------|
| <b>From continuing operations</b> |                       |                       |
| Membership subscriptions          | <u>154,683</u>        | <u>152,986</u>        |
|                                   | <b>154,683</b>        | <b>152,986</b>        |
| <b>Other revenue</b>              |                       |                       |
| HSU fee reimbursement             | -                     | 2,375                 |
| Interest                          | <u>1,977</u>          | <u>1,957</u>          |
|                                   | <b>1,977</b>          | <b>4,332</b>          |
|                                   | <u><b>156,660</b></u> | <u><b>157,318</b></u> |

**4: Current assets – Cash and cash equivalents**

|              | 2019<br>\$            | 2018<br>\$            |
|--------------|-----------------------|-----------------------|
| Cash at bank | <u><b>213,939</b></u> | <u><b>198,193</b></u> |

**(a) Reconciliation to cash at the end of the year**

The above figures are reconciled to cash at the end of the financial year as shown in the statement of cash flows as follows:

|                                      | 2019<br>\$            | 2018<br>\$            |
|--------------------------------------|-----------------------|-----------------------|
| Balances as above                    | <b>213,939</b>        | 198,193               |
| Bank overdrafts                      | -                     | -                     |
| Balances per statement of cash flows | <u><b>213,939</b></u> | <u><b>198,193</b></u> |

**5: Current assets – Other assets**

|             | 2019<br>\$           | 2018<br>\$          |
|-------------|----------------------|---------------------|
| Prepayments | <u><b>10,302</b></u> | <u><b>8,901</b></u> |

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

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**6: Current liabilities – Trade and other payables**

|                   | 2019<br>\$    | 2018<br>\$    |
|-------------------|---------------|---------------|
| <i>Unsecured:</i> |               |               |
| Trade payables    | 22,828        | 18,410        |
| Other payables    | 1,936         | 2,116         |
|                   | <u>24,764</u> | <u>20,526</u> |

**7: Current liabilities – other liabilities**

|                                   | 2019<br>\$    | 2018<br>\$    |
|-----------------------------------|---------------|---------------|
| Subscriptions received in advance | <u>47,953</u> | <u>44,898</u> |

**8: Reserves**

|               | 2019<br>\$    | 2018<br>\$    |
|---------------|---------------|---------------|
| Fighting fund | <u>21,051</u> | <u>21,051</u> |

(a) There is no movement in the reserves during the year.

(b) The fighting fund reserve records funds set aside from the surplus for the purpose of future industrial campaigns.

**9: Accumulated surplus**

|  | 2019<br>\$     | 2018<br>\$     |
|--|----------------|----------------|
| <i>Movements in the accumulated surplus were as follows:</i> |                |                |
| Balance 1 July   | 120,619        | 111,705        |
| Net surplus for the year                                     | 9,854          | 8,914          |
| Balance 30 June  | <u>130,473</u> | <u>120,619</u> |

**10: Contingencies**

There are no known contingent assets or liabilities at 30 June 2019.

**11: Events occurring after the reporting period**

No matter or circumstance has arisen since the end of the financial year to the date of this report, that has or may significantly affect the activities of the AHP, the results of those activities or the state of affairs of the AHP in the ensuing or any subsequent financial year.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

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**12: Commitments**

There are no capital or lease commitments at the end of the financial year.

**13: Related party transactions**

*(i) Transactions with related parties*

|  | 2019    | 2018    |
|--|---------|---------|
|  | \$      | \$      |
| (a) Purchases of goods and services:                       |         |         |
| Fee paid to MSAV for services rendered *                   | 115,340 | 115,405 |
| Capitation and industrial fee paid to HSU Vic No. 4 Branch | 12,345  | 13,081  |

\* AHP pays a fee to the MSAV, a related party, to provide industrial and administrative services.

*(b) Outstanding balances arising from sales and purchases of goods and services:*

These balances are disclosed in the "Trade receivables" and "Trade payables" notes to the accounts. No provision for impairment has been raised in relation to any of these outstanding balances and no expense has been recognised in respect of bad or doubtful debts due from related parties.

*(ii) The names of the AHP Committee who have held office during the year are:*

| <i>Name</i>                                       | <i>Position</i>                       |
|---|---------------------------------------|
| Victor Reginato                                   | President                             |
| Michelle Nalder                                   | Secretary                             |
| Liam Carter                                       | Treasurer                             |
| Julie King (appointed 21 August 2018)             | Treasurer                             |
| Julie King (resigned on 29 November 2018)         | Vice President                        |
| Shaun O'Connor (elected on 29 November 2018)      | Vice President                        |
| Shaun O'Connor (resigned on 29 November 2018)     | Committee Member                      |
| Paul Elliott                                      | Executive Officer & Ex-officio member |
| Brennan Fitzpatrick (elected on 29 November 2018) | Trustee                               |
| Jennifer Tio (elected on 29 November 2018)        | Trustee                               |

*(iii) Transactions with key management personnel and remuneration*

(a) AHP did not pay any remuneration to its key management personnel during the year for the administration of AHP.

(b) There are no loans between key management personnel and the AHP.

(c) There were no transactions between the officers of AHP other than those relating to their membership of AHP and reimbursement by AHP in respect of expenses incurred by them in the performance of their duties. Such transactions have been on conditions no more favourable than those which is reasonable to expect would have been adopted by parties at arm's length.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019

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**14: Cash flow information**

|  | 2019<br>\$    | 2018<br>\$ |
|--|---------------|------------|
| <b>Reconciliation of cash flow from operations with the surplus for the year</b> |               |            |
| Surplus for the year   | 9,854         | 8,914      |
| <i>Changes in assets and liabilities</i>   |               |            |
| (Increase) Decrease in other assets  | (1,401)       | 372        |
| Increase (Decrease) in trade and other payables                                  | 7,293         | (8,303)    |
| Cash flows from operations   | <u>15,746</u> | <u>983</u> |

**15: Fair Value Measurement**

AHP does not has the assets that are measured at fair value on a recurring basis after initial recognition and does not subsequently measure any liabilities at fair value on a recurring basis, or any assets or liabilities at fair value on a non-recurring basis.

**ASSOCIATION OF HOSPITAL PHARMACISTS  
ABN 72 520 393 213**

**STATEMENT BY MEMBERS OF THE COMMITTEE**

In the opinion of the Committee, the financial report as set out on pages 1 to 13:

1. Presents a true and fair view of the financial position of Association of Hospital Pharmacists as at 30 June 2019 and its performance for the financial year ended on that date in accordance with the Australian Accounting Standards – Reduced Disclosure Requirements and other 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 Association of Hospital Pharmacists 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:



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President – Victor Reginato



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Treasurer – Julie King

Dated this 6<sup>th</sup> day of August, 2019

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Trading as BGL Partners

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASSOCIATION OF HOSPITAL PHARMACISTS

### Report on Audit of the Financial Report

#### Opinion

We have audited the financial report of the Association of Hospital Pharmacists ("AHP") which comprises the balance sheet as at 30 June 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the statement by Committee of Management.

In our opinion:

the accompanying financial report of the Association of Hospital Pharmacists:

- a) presents fairly, in all material respects, the financial position of Association of Hospital Pharmacists as at 30 June 2019 and the results of its operations, its changes in equity and cash flows for the year then ended; and
- b) complying the Australian Accounting Standards – Reduced Disclosure Requirements.

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report.

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

#### Independence

We are independent of the AHP in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES110 *Code of Ethics for Professional Accountants* (the "Code") that are relevant to our audit of the financial report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

CHARTERED ACCOUNTANTS  
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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASSOCIATION OF HOSPITAL PHARMACISTS (Continued)

### Committee of Management's responsibility for the financial report

The Committee of Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and for such internal control as the Committee of Management determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee of Management is responsible for assessing AHP's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Committee of Management either intend to liquidate AHP or to cease operations, or have no realistic alternative but to do so.

### Auditor 's responsibility for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the AHP's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.

CHARTERED ACCOUNTANTS  
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Trading as BGL Partners

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASSOCIATION OF HOSPITAL PHARMACISTS (Continued)

### Auditor 's responsibility for the audit of the financial report (Continued)

- Conclude on the appropriateness of the Committee of Management use of the going concern basis of accounting in the preparation of the financial report. We also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events and conditions that may cast significant doubt on the AHP's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the disclosures in the financial report about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial report. However, future events or conditions may cause the AHP to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation
- Obtain sufficient appropriate audit evidence regarding the financial information of the AHP or business activities within the AHP to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with the management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

BGL Partners  
Chartered Accountants

I. A. Hinds - C.A. – Partner

6 August 2019  
Melbourne