



Fair Work
Commission

17 January 2024

Maureen Harding
President
Hair and Beauty Australia
Sent via email: info@askhaba.com.au
CC: vmodi@nexiasydney.com.au

Dear Maureen Harding

**Hair and Beauty Australia
Financial Report for the year ended 30 June 2023 – (FR2023/171)**

I acknowledge receipt of the financial report for the year ended 30 June 2023 for the Hair and Beauty Australia. The documents were lodged with the Fair Work Commission (the Commission) on 16 January 2024.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged.

The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under sections 253, 265, 266 and 268 of the *Fair Work (Registered Organisations) Act 2009* (RO Act) have been satisfied, all documents required under section 268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements.

Please note that the financial report for the year ending 30 June 2024 may be subject to an advanced compliance review.

Reporting Requirements

The Commission's website provides a number of factsheets in relation to the financial reporting process and associated timelines. The website also contains the section 253 reporting guidelines and a model set of financial statements.

The Commission recommends that reporting units use these model financial statements to assist in complying with the RO Act, the section 253 reporting guidelines and Australian Accounting Standards. Access to this information is available via [this link](#).

If you have any queries regarding this letter, please call 1300 341 665 or email regorgs@fwc.gov.au.

Yours sincerely

Fair Work Commission

HAIR AND BEAUTY AUSTRALIA

Financial Statements
2022 – 2023

HAIR AND BEAUTY AUSTRALIA


s.268 Fair Work (Registered Organisations) Act 2009

Certificate by prescribed designated officer

Certificate for the year ended 30 June 2023

I, Brian Flohm, being the Treasurer of the Hair and Beauty Australia certify:

- that the documents lodged herewith are copies of the full report for the Hair and Beauty Australia for the period ended referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on 18 / 10 /2023; and
- that the full report was presented to a *general meeting of members* of the reporting unit on 15 / 01 /2024 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer: 

Name of prescribed designated officer: Mr Brian Flohm

Title of prescribed designated officer: Treasurer

Dated:16 Jan 2024.....

HAIR AND BEAUTY AUSTRALIA

Financial Statements 2022–23

- Certificate by prescribed designated officer 1
- Independent audit report 3
- Report required under subsection 255(2A) 6
- Operating report 7
- Committee of management statement 9
- Statement of comprehensive income 10
- Statement of financial position 11
- Statement of changes in equity 12
- Statement of cash flows 13
- Index to the notes of the financial statements 14
- Officer declaration statement..... 43

Independent Audit Report to the Members of Hair and Beauty Australia

nexia.com.au

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Hair and Beauty Australia (the Reporting Unit), which comprises the statement of financial position as at 30 June 2023, 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 to the financial statements, including a summary of significant accounting policies, the subsection 255(2A) report, the Committee of Management Statement and the Officer Declaration Statement.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of Hair and Beauty Australia as at 30 June 2023, and its financial performance and its cash flows for the year ended on that date in accordance with:

- a) the Australian Accounting Standards; and
- b) any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (**the RO Act**).

We declare that management's use of the going concern basis in the preparation of the financial statements of the Reporting Unit is appropriate.

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 are independent of the Reporting Unit in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Information Other than the Financial Report and Auditor's Report Thereon

The Committee of Management is responsible for the other information. The other information obtained at the date of this auditor's report is in the Directors Report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Committee of Management for the Financial Report

The Committee of Management of the Reporting Unit is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the Committee of Management determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee of Management is responsible for assessing the Reporting Unit'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 the Reporting Unit or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objective is 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 the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement 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 Reporting Unit'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.
- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Reporting Unit's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Reporting Unit 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 report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Reporting Unit to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Reporting Unit audit. We remain solely responsible for our audit opinion.

We communicate with the Committee of 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.

I declare that I am an auditor registered under the RO Act.

Handwritten signature of Nexia in blue ink.

Nexia Sydney Audit Pty Ltd

Handwritten signature of Vishal Modi in blue ink.

Vishal Modi

Director

Registered Auditor no. AA2019/20

Dated this 17th day of October 2023

HAIR AND BEAUTY AUSTRALIA


Report required under subsection 255(2A)


for the year ended 30/06/2023

The committee of management presents the expenditure report as required under subsection 255(2A) on the reporting unit for the year ended 30/06/2023.

Descriptive form

Categories of expenditures	2023 (\$)	2022 (\$)
Remuneration and other employment-related costs and expenses – employees	167,960	162,201
Advertising	20,170	18,523
Operating costs	243,743	249,546
Donations to political parties	–	–
Legal costs	–	18,867

Director: .....
Maureen Harding

Director: .....
Brian Flohm

Dated: 17 / 10 / 2023

HAIR AND BEAUTY AUSTRALIA

Operating report

for the year ended 30/06/2023

The committee of management presents its operating report on the reporting unit for the year ended 30/06/2023.

Review of principal activities, the results of those activities and any significant changes in the nature of those activities during the year

The principal activities of the entity during the financial year were:

- a) To safeguard and promote the interests of hairdressing, beauty and related industries in respect of legislation, and to propose legislation which would promote those industries.
- b) To maintain registration as an industrial organisation of employers under Fair Work (Registered Organisations) Act 2009 (Cth).
- c) To consider all matters affecting hairdressers, beauty therapists and related professionals, and to initiate and petition Parliament or ministers thereof; and to promote deputations in relation to measures affecting those professions.
- d) To obtain parliamentary or other legal acknowledgment of the rights and status of hairdressers, beauty therapists and related professions.
- e) To represent the profession or any individual business entity involved in the hairdressing, beauty and/ or related industries before any industrial tribunal or commission.
- f) To organise exhibitions, demonstrations, lectures, conferences and seminars on subjects pertaining to the hair, beauty and related industries.
- g) To provide industrial and other expert assistance to members in respect of all questions affecting the profession.
- h) To do such all other things as are incidental or conducive to the attainment of the above objects.

The results of those activities have been as follows:

- The entity has grown membership in all states and territories to become a truly national body.
- The entity has successfully represented members in both industrial courts and tribunals and to government and shadow government.
- The entity has provided seminars and presented at educational seminars to inform members.

- The surplus for the year was \$13,045 (2022: deficit of \$161,075).
- There have not been any significant changes in the nature of these activities.

Significant changes in financial affairs

No significant changes in the financial affairs of the entity occurred during the financial year.

Right of members to resign

Members may resign, in accordance with section 174, as per provisions of rule 22.

Officers or members who are superannuation fund trustee(s) (include position details) or director of a company that is a superannuation fund trustee where being a member or officer of a registered organisation is a criterion for them holding such position

There are no officers or members of the organisation which are trustees of a superannuation entity or an exempt public sector superannuation scheme, or directors of an entity that is a trustee of a superannuation entity or an exempt public sector superannuation scheme where a criterion for being a trustee or director is that the officer or member is an officer or member of a registered organisation.

Number of members


The number of members as at 30 June 2023 was 668 (2022: 666).

Number of employees

The number of employees as at 30 June 2023 which was measured on a full time equivalent basis was 1 (2022: 1).

Names of committee of management members and period positions held during the financial year

Maureen Harding	President
Elvio Caires	Vice President
Wendy Campbell	Secretary
Brian Flohm	Treasurer
Ken McRae	
Mario Nasso	

Director: 

Maureen Harding

Director: 

Brian Flohm

Dated: 17 / 10 / 2023

HAIR AND BEAUTY AUSTRALIA

Committee of management statement

for the year ended 30/06/2023

On 17/10/2023 the Committee of Management of the Hair and Beauty Australia passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 30/06/2023:

The *Committee of Management* declares that in its opinion:

- a. the financial statements and notes comply with the Australian Accounting Standards;
- b. the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act);
- c. the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- d. there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- e. during the financial year to which the GPFR relates and since the end of that year:
 - i. meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - ii. the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - iii. the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
 - iv. where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
 - v. where information has been sought in any request by a member of the reporting unit or the General Manager duly made under section 272 of the RO Act, that information has been provided to the member or the General Manager; and
 - vi. where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

This declaration is made in accordance with a resolution of the committee of management.

Director
Maureen Harding

Director
Brian Flohm

Dated: 17 / 10 / 2023

HAIR AND BEAUTY AUSTRALIA

Statement of comprehensive income

for the year ended 30 June 2023

	Notes	2023 \$	2022 \$
Revenue from contracts with customers	3		
Membership subscriptions		175,980	194,907
Capitation fees and other revenue from another reporting unit	3A	-	-
Levies	3B	-	-
Total revenue from contracts with customers		175,980	194,907
Income for furthering objectives			
Grants and/or donations	3C	-	-
Income recognised from volunteer services	3D	-	-
Total income for furthering objectives		-	-
Other income			
Revenue from recovery of wages activity	3E	-	-
Investment income	3F	45,550	-
Rental income	3G	200	2,400
Other income	3H	226,825	118,454
Total other income		272,575	120,854
Total income		448,555	315,761
Expenses			
Employee expenses	4A	183,456	181,701
Cost of goods sold		-	-
Capitation fees and other expense to another reporting unit	4B	-	-
Affiliation fees	4C	-	-
Grants or donations	4D	-	-
Depreciation and amortisation	4E	3,361	27,699
Legal costs	4F	-	18,867
Sundry expenses	4G	243,743	243,869
Audit fees	12	4,950	4,700
Total expenses		435,510	476,836
Surplus (deficit) for the year		13,045	(161,075)
Other comprehensive income			
Items that will not be subsequently reclassified to profit or loss			
Gain/(loss) on revaluation of land & buildings		-	242,960
Total comprehensive income for the year		13,045	81,885

The above statement should be read in conjunction with the notes.

HAIR AND BEAUTY AUSTRALIA

Statement of financial position

as at 30 June 2023

	Notes	2023 \$	2022 \$
ASSETS			
Current assets			
Cash and cash equivalents	5A	148,925	517,923
Trade and other receivables	5B	53,985	1,777,784
Financial assets	5C	2,100,000	-
Other current assets	5D	4,220	5,156
Total current assets		2,307,130	2,300,863
Non-current assets			
Property, plant and equipment	6A	5,746	9,106
Total non-current assets		5,746	9,106
Total assets		2,312,876	2,309,969
LIABILITIES			
Current liabilities			
Trade payables	7A	53,908	51,396
Other payables	7B	11,364	11,342
Contract liabilities	7C	77,802	95,497
Employee provisions	8A	6,181	1,158
Total current liabilities		149,255	159,393
Non-current liabilities			
Total non-current liabilities		-	-
Total liabilities		149,255	159,393
Net assets		2,163,621	2,150,576
EQUITY			
General fund/retained earnings		2,163,621	2,150,576
Total equity		2,163,621	2,150,576

The above statement should be read in conjunction with the notes.

HAIR AND BEAUTY AUSTRALIA

Statement of changes in equity

for the year ended 30 June 2023

	General funds / retained earnings	Reserves	Total equity
	\$	\$	\$
Balance as at 1 July 2021	(405,611)	2,474,302	2,068,691
Surplus / (deficit)	(161,075)	-	(161,075)
Other comprehensive income	-	242,960	242,960
Transfer to General funds/ retained earnings	2,717,262	(2,717,262)	-
Closing balance as at 30 June 2022	2,150,576	-	2,150,576
Surplus / (deficit)	13,045	-	13,045
Closing balance as at 30 June 2023	2,163,621	-	2,163,621

The above statement should be read in conjunction with the notes.

HAIR AND BEAUTY AUSTRALIA

Statement of cash flows

for the year ended 30 June 2023

	Notes	2023 \$	2022 \$
OPERATING ACTIVITIES			
Cash received			
Receipts from customers and others		436,902	351,404
Receipts from other reporting unit/controlled entity(s)	10B	-	-
Cash used			
Employees		(183,456)	(181,205)
Suppliers		(290,444)	(291,481)
Net cash used by operating activities	10A	(36,998)	(121,282)
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of land and buildings		1,768,000	-
Cash used			
Purchase of plant and equipment		-	(2,967)
Term deposits		(2,100,000)	-
Net cash from (used by) investing activities		(332,000)	(2,967)
FINANCING ACTIVITIES			
Cash received			
Net cash from (used by) financing activities		-	-
Net increase (decrease) in cash held		(368,998)	(124,249)
Cash & cash equivalents at the beginning of the reporting period		517,923	642,172
Cash & cash equivalents at the end of the reporting period	5A	148,925	517,923

The above statement should be read in conjunction with the notes.

Index to the notes of the financial statements

Note 1	Summary of significant accounting policies
Note 2	Events after the reporting period
Note 3	Revenue and income
Note 4	Expenses
Note 5	Current assets
Note 6	Non-current assets
Note 7	Current liabilities
Note 8	Provisions
Note 9	Equity
Note 10	Cash flow
Note 11	Related party disclosures
Note 12	Remuneration of auditors
Note 13	Financial instruments
Note 14	Fair value measurements
Note 14A	Financial assets and liabilities
Note 15	Section 272 <i>Fair Work (Registered Organisations) Act 2009</i>

Note 1 Summary of significant accounting policies

1.1 Basis of preparation of the financial statements

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period, and the *Fair Work (Registered Organisation) Act 2009* (RO Act). For the purpose of preparing the general purpose financial statements, Hair and Beauty Australia is a not-for-profit entity.

The financial statements, except for cash flow information, have been prepared using the accrual basis of accounting. The financial statements have been prepared on a historical cost basis except for certain classes of property, plant and equipment and investment properties, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. The financial statements are presented in Australian dollars.

1.2 Going concern

Hair and Beauty Australia is not reliant on the agreed financial support of another reporting unit to continue on a going concern basis.

1.3 Comparative amounts

When required by accounting standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

1.4 Significant accounting judgements and estimates

Hair and Beauty Australia has made the following significant accounting judgements in the process of applying its accounting policies that have the most significant effect on the amounts recognised in the financial statements:

i. Employee benefits

For the purpose of measurement, AASB 119: Employee Benefits defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service.

The entity expects most employees will take their annual leave entitlements within 24 months of the reporting period in which they were earned, but this will not have a material impact on the amounts recognised in respect of obligations for employees' leave entitlements.

1.5 New Australian Accounting Standards

Adoption of New Australian Accounting Standards and amendments

The accounting policies adopted are consistent with those of the previous financial year except for the following amendments to accounting standards and other changes in accounting policy, which have been adopted for the first time this financial year:

AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018–2020 and Other Amendments

The annual improvements amend the following standards:

- AASB 9 Financial Instruments to clarify that in applying the ‘10 per cent’ test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other’s behalf.
- AASB 16 Leases (AASB 16) to amend Illustrative Example 13 to remove the illustration of the reimbursement of leasehold improvements by the lessor.
- Amendments to AASB 116 Property, Plant and Equipment require an entity to recognise the sales proceeds from selling items produced while preparing property, plant and equipment for its intended use and the related cost in the profit or loss, instead of deducting the amounts received from the cost of the asset.
- Amendments to AASB 137 Provisions, Contingent Liabilities and Contingent Assets clarify which costs an entity can include when assessing whether a contract will be onerous.

The amendments are not expected to have a material impact on Hair and Beauty Australia.

No accounting standard has been adopted earlier than the application date stated in the standard.

Future Australian Accounting Standards

New standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to future reporting periods that are expected to have a future financial impact on Hair and Beauty Australia include:

AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current

This Standard amends AASB 101 Presentation of Financial Statements to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. For example, the amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. This Standard applies to annual reporting periods beginning on or after 1 January 2023. Earlier application is permitted.

Hair and Beauty Australia does not expect the adoption of this amendment to have a material impact on its financial statements.

AASB 2021-2 Amendments to AASs – Disclosure of Accounting Policies and Definition of Accounting Estimates

This Standard amends:

- AASB 7, to clarify that information about measurement bases for financial instruments is expected to be material to an entity's financial statements;
- AASB 101, to require entities to disclose their material accounting policy information rather than their significant accounting policies;
- AASB 108, to clarify how entities should distinguish changes in accounting policies and changes in accounting estimates;
- AASB 134, to identify material accounting policy information as a component of a complete set of financial statements; and
- AASB Practice Statement 2, to provide guidance on how to apply the concept of materiality to accounting policy disclosures.
- Additional conforming amendments to AASB 1049, AASB 1054, and AASB 1060 were made by AASB 2021-6.

Hair and Beauty Australia expects more disclosures in future years but does not expect the adoption of this amendment to have a material impact on its financial statements.

AASB 2020-1 and AASB 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants

The amendments to AASB 101 specify that conditions (covenants) to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, an entity discloses information about these conditions in the notes to the financial statements. Where AASB 2022-6 is adopted before its mandatory application date, AASB 2020-1 must also be applied at the same date.

Hair and Beauty Australia does not expect the adoption of this amendment to have a material impact on its financial statements.

AASB 2023-3 Amendments to Australian Accounting Standards – Disclosure of Non-current Liabilities with Covenants: Tier 2

The amendment clarifies the classification of loan arrangements for which the entity's right to defer settlement of those liabilities for at least twelve months after the reporting period is subject to the entity complying with specified conditions. Earlier application is permitted, provided AASB 2020-1 Amendments to Australian Accounting Standards – Classification of

Liabilities as Current or Non-current is also applied at the same time.

Hair and Beauty Australia does not expect the adoption of this amendment to have a material impact on its financial statements.

1.6 Current versus non-current classification

Hair and Beauty Australia presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:

- expected to be realised or intended to be sold or consumed in the normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within twelve months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in the normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Hair and Beauty Australia classifies all other liabilities as non-current.

1.7 Revenue

Hair and Beauty Australia enters into various arrangements where it receives consideration from another party. These arrangements include consideration in the form of membership subscriptions, capitation fees, levies, grants, and donations.

The timing of recognition of these amounts as either revenue or income depends on the rights and obligations in those arrangements.

Revenue from contracts with customers

Where Hair and Beauty Australia has a contract with a customer, Hair and Beauty Australia recognises revenue when or as it transfers control of goods or services to the customer. Hair and Beauty Australia accounts for an arrangement as a contract with a customer if the following criteria are met:

- the arrangement is enforceable; and

- the arrangement contains promises (that are also known as performance obligations) to transfer goods or services to the customer (or to other parties on behalf of the customer) that are sufficiently specific so that it can be determined when the performance obligation has been satisfied.

Membership subscriptions

For membership subscription arrangements that meet the criteria to be contracts with customers, revenue is recognised when the promised goods or services transfer to the customer as a member of Hair and Beauty Australia.

If there is only one distinct membership service promised in the arrangement, Hair and Beauty Australia recognises revenue as the membership service is provided, which is typically based on the passage of time over the subscription period to reflect Hair and Beauty Australia's promise to stand ready to provide assistance and support to the member as required.

If there is more than one distinct good or service promised in the membership subscription, Hair and Beauty Australia allocates the transaction price to each performance obligation based on the relative standalone selling price of each promised good or service. In performing this allocation, standalone selling prices are estimated if there is no observable evidence of the price that Hair and Beauty Australia charges for that good or service in a standalone sale. When a performance obligation is satisfied, which is either when the customer obtains control of the good (for example, books or clothing) or as the service transfers to the customer (for example, member services or training course), Hair and Beauty Australia recognises revenue at the amount of the transaction price that was allocated to that performance obligation.

For member subscriptions paid annually in advance, Hair and Beauty Australia has elected to apply the practical expedient to not adjust the transaction price for the effects of a significant financing component because the period from when the customer pays and the good or services will transfer to the customer will be one year or less.

When a member subsequently purchases additional goods or services from Hair and Beauty Australia at their standalone selling price, Hair and Beauty Australia accounts for those sales as a separate contract with a customer.

Capitation fees

Where Hair and Beauty Australia's arrangement with a branch or another reporting unit meets the criteria to be a contract with a customer, Hair and Beauty Australia recognises the capitation fees promised under that arrangement when or as it transfers

In circumstances where the criteria for a contract with a customer are not met, Hair and Beauty Australia will recognise capitation fees as income upon receipt (as specified in the income recognition policy below).

Income of Hair and Beauty Australia as a Not-for-Profit Entity

Consideration is received by Hair and Beauty Australia to enable the entity to further its objectives. Hair and Beauty Australia recognises each of these amounts of consideration as

income when the consideration is received (which is when Hair and Beauty Australia obtains control of the cash) because, based on the rights and obligations in each arrangement:

- the arrangements do not meet the criteria to be contracts with customers because either the arrangement is unenforceable or lacks sufficiently specific promises to transfer goods or services to the customer; and
- Hair and Beauty Australia's recognition of the cash contribution does not give rise to any related liabilities.

Hair and Beauty Australia receives cash consideration from the following arrangements whereby that consideration is recognised as income upon receipt:

- donations and voluntary contributions from members (including whip arounds); and
- government grants.

Gains from sale of assets

An item of property, plant and equipment is derecognised upon disposal (which is at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income when the asset is derecognised.

Interest income

Interest revenue is recognised on an accrual basis using the effective interest method.

Rental income

Leases in which Hair and Beauty Australia, as a lessor, does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the relevant lease term. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as income in the period in which they are earned.

1.8 Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and termination benefits in the circumstances set up below.

Liabilities for short-term employee benefits (as defined in AASB 119 Employee Benefits) and termination benefits which are expected to be settled within twelve months of the end of reporting period are measured at their nominal amounts.

The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits which are expected to be settled beyond twelve months are measured as the present value of the estimated future cash outflows to be made by Hair and Beauty Australia in respect of services provided by employees up to reporting date.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Provision is made for separation and redundancy benefit payments. Hair and Beauty Australia recognises a provision for termination as part of a broader restructuring when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations. A provision for voluntary termination is recognised when the employee has accepted the offer of termination.

1.9 Cash

Cash is recognised at its nominal amount. Cash and cash equivalents include cash on hand, deposits held at call with bank, other short-term highly liquid investments with original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

1.10 Financial instruments

Financial assets and financial liabilities are recognised when Hair and Beauty Australia becomes a party to the contractual provisions of the instrument.

1.11 Financial assets

Contract assets and receivables

A contract asset is recognised when Hair and Beauty Australia's right to consideration in exchange goods or services that has transferred to the customer when that right is conditioned on Hair and Beauty Australia's future performance or some other condition.

A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e. only the passage of time is required before payment of the consideration is due).

Initial recognition and measurement

Hair and Beauty Australia's financial assets include trade receivables and interest bearing investments.

Hair and Beauty Australia's financial assets are classified as financial assets subsequently measured at amortised cost because both of the following conditions are met:

- the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are 'solely payments of principal and interest' on the principal amount outstanding.

The classification of financial assets is performed at an instrument level at initial recognition of the financial asset.

Hair and Beauty Australia initially measures a financial asset at its fair value plus transaction costs. However contract assets and trade receivables that do not contain a significant financing component are measured at the transaction price as determined in accordance with the revenue policy in Note 1.7.

Subsequent measurement

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the asset have expired. For receivables and contract assets, Hair and Beauty Australia directly reduces the gross carrying amount of a receivable or contract asset when it has no reasonable expectations of recovering the receivable or contract asset in its entirety or a portion thereof.

Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if the Hair and Beauty Australia currently has a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the assets and settle the liabilities simultaneously.

Impairment

Expected credit losses (ECLs)

i. Debt instruments other than trade receivables

The Hair and Beauty Australia recognises an allowance for ECLs for all contract assets, receivables and any other financial assets measured at amortisation cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the reporting unit expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

ii. Trade receivables and contract assets

For trade receivables that do not have a significant financing component, the Hair and Beauty Australia applies a simplified approach in calculating ECLs. Therefore, the Hair and Beauty Australia does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Hair and Beauty Australia has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

1.12 Financial Liabilities

Initial recognition and measurement

Hair and Beauty Australia's financial liabilities include trade and other payables, interest-bearing loans and borrowings.

Hair and Beauty Australia's financial liabilities are classified as financial liabilities subsequently measured at amortised cost.

These financial liabilities are recognised initially at fair value and net of directly attributable transaction costs.

Subsequent measurement

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.

1.13 Liabilities relating to contracts with customers

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before Hair and Beauty Australia transfers the related goods or services. Contract liabilities include deferred income. Contract liabilities are recognised as

revenue when Hair and Beauty Australia performs under the contract (i.e. transfers control of the related goods or services to the customer).

Refund liabilities

A refund liability is recognised for the obligation to refund some or all of the consideration received (or receivable) from a customer. Hair and Beauty Australia's refund liabilities arise from customers' right of return. The liability is measured at the amount Hair and Beauty Australia's ultimately expects it will have to return to the customer. Hair and Beauty Australia updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

1.14 Contingent liabilities and contingent assets

Contingent liabilities and contingent assets are not recognised in the statement of financial position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

1.15 Land, buildings, plant and equipment

Land and buildings

Following initial recognition at cost, land and buildings are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient frequency such that the carrying amount of assets do not differ materially from those that would be determined using fair values as at the reporting date.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the profit or loss except to the extent that they reverse a previous revaluation increment for that class. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount.

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful life using, in all cases, the straight-line method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	2023	2022
Plant and equipment	4 to 20 years	4 to 20 years

Derecognition

An item of land, buildings, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit or loss.

1.16 Impairment of non-financial assets

All assets are assessed for impairment at the end of each reporting period to the extent that there is an impairment trigger. Where indications of impairment exist, the asset's recoverable amount is estimated, and an impairment adjustment made if the asset's recoverable amount is less than the carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if Hair and Beauty Australia were deprived of the asset, its recoverable amount is its fair value.

In other cases, for the purposes of determining recoverable amount, assets are grouped at the lowest levels for which there are separately identifiable cash flows 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.

1.17 Taxation

Hair and Beauty Australia is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997 however still has an obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO); and
- for receivables and payables.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the ATO is classified within operating cash flows.

1.18 Fair value measurement

Hair and Beauty Australia measures non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by Hair and Beauty Australia. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1—Quoted market prices in active markets for identical assets or liabilities
- Level 2—Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3—Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, Hair and Beauty Australia determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as land and buildings and investment properties.

Note 2 Events after the reporting period

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of Hair and Beauty Australia, the results of those operations, or the state of affairs of Hair and Beauty Australia in subsequent financial periods.

2023	2022
\$	\$

Note 3 Revenue and income

Disaggregation of revenue from contracts with customers

A disaggregation of Hair and Beauty Australia’s revenue by type of arrangement is provided on the face of the Statement of Comprehensive Income. The table below also sets out a disaggregation of revenue by type of customer:

Type of customer		
Members	175,980	194,907
Other reporting units	-	-
Government	-	-
Other parties	-	-
Total revenue from contracts with customers	175,980	194,907

Note 3A: Capitation fees and other revenue from another reporting unit

Capitation fees:

Subtotal capitation fees	-	-
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Other revenue from another reporting unit:

Subtotal other revenue from another reporting unit	-	-
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Total capitation fees and other revenue from another reporting unit	-	-
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Note 3B: Levies

Total levies	-	-
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Note 3C: Grants and/or donations

Grants	-	-
Donations	-	-
Total grants and donations	-	-

	2023	2022
	\$	\$
Note 3D: Income recognised from volunteer services		
Amounts recognised from volunteer services	-	-
Total income recognised from volunteer services	-	-
Note 3E: Revenue from recovery of wages activity		
Amounts recovered from employers in respect of wages	-	-
Interest received on recovered money	-	-
Total revenue from recovery of wages activity	-	-
Note 3F: Investment income		
Interest		
Financial assets (term deposits)	45,550	-
Total investment income	45,550	-
Note 3G: Rental income		
Properties	200	2,400
Total rental income	200	2,400
Note 3H: Other income		
Miscellaneous income	170,878	-
Commission and other income	55,947	48,586
Fee refund – Strata levy	-	34,618
Government stimulus (Covid-19)	-	35,250
Total other income	226,825	118,454

	2023	2022
	\$	\$
Note 4 Expenses		
Note 4A: Employee expenses		
Holders of office:		
Wages and salaries	-	-
Superannuation	-	-
Leave and other entitlements	-	-
Honorarium to board members	15,496	19,500
Other employee expenses	-	-
Subtotal employee expenses holders of office	15,496	19,500
Employees other than office holders:		
Wages and salaries	152,000	147,501
Superannuation	15,960	14,700
Leave and other entitlements	-	-
Separation and redundancies	-	-
Other employee expenses	-	-
Subtotal employee expenses employees other than office holders	167,960	162,201
Total employee expenses	183,456	181,701
Note 4B: Capitation fees and other expense to another reporting unit		
Capitation fees		
Subtotal capitation fees	-	-
Other expense to another reporting unit		
Subtotal other expense to another reporting unit	-	-
Total capitation fees and other expense to another reporting unit	-	-
Note 4C: Affiliation fees		
Total affiliation fees/subscriptions	-	-
Note 4D: Grants or donations		
Grants:		
Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	-	-
Donations:		
Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	-	-
Total grants or donations	-	-

	2023	2022
	\$	\$
Note 4E: Depreciation and amortisation		
Depreciation		
Buildings	-	24,960
Property, plant and equipment	3,361	2,739
Total depreciation	3,361	27,699
Total depreciation and amortisation	3,361	27,699

Note 4F: Legal costs

Litigation	-	-
Other legal costs	-	18,867
Total legal costs	-	18,867

Note 4G: Sundry expenses

Marketing	20,170	18,523
Bank fee	1,543	1,891
Computer expenses	503	2,640
Consultant fees	175,000	175,000
Insurance	6,599	4,857
Occupancy expenses	422	3,293
Repair and maintenance	72	-
Telephone	8,796	7,267
Training	677	
Travelling	303	37
Administration expenses	14,721	17,448
Other	14,937	12,913
Total sundry expenses	243,743	243,869

2023	2022
\$	\$

Note 5 Current Assets

Note 5A: Cash and cash equivalents

Cash at bank	148,925	517,891
Cash on hand	-	32
Other	-	-
Total cash and cash equivalents	148,925	517,923

Note 5B: Trade and other receivables

Receivables from other reporting unit(s)	-	-
Total receivables from other reporting unit(s)	-	-
Less allowance for expected credit losses	-	-
Total allowance for expected credit losses	-	-
Receivable from other reporting unit(s) (net)	-	-

Other receivables:

GST receivable	4,495	6,281
Interest receivable	45,550	-
Receivable from disposal of land and building	-	1,768,000
Other	3,940	3,503
Total other receivables	53,985	1,777,784
Total trade and other receivables (net)	53,985	1,777,784

Note 5C: Financial assets

Interest bearing investment	2,100,000	-
Total other current assets	2,100,000	-

Note 5D: Other current assets

Prepayments	4,220	5,156
Total other current assets	4,220	5,156

Note 6 Non-current Assets

Note 6A: Property, Plant and Equipment

2023

	Land and Buildings	Plant and Equipment	Total
	\$	\$	\$
Property, Plant and Equipment:			
carrying amount	-	59,850	59,850
accumulated depreciation	-	(54,106)	(54,106)
Total Property, Plant and Equipment	-	5,746	5,746

Reconciliation of opening and closing balances of property, plant and equipment

Net book value 1 July 2022	-	9,106	9,106
Additions:			
By purchase	-	-	-
Depreciation expense	-	(3,361)	(3,361)
Disposals	-	-	-
Net book value 30 June 2023	-	5,746	5,746
Net book value as of 30 June 2023 represented by:			
Gross book value	-	59,850	59,850
Accumulated depreciation and impairment	-	54,106	54,106
Net book value 30 June 2023	-	5,746	5,746

Note 6A: Property, Plant and Equipment (continued)

2022

	Land and Buildings	Plant and Equipment	Total
	\$	\$	\$
Property, Plant and Equipment:			
carrying value	-	59,850	59,850
accumulated depreciation	-	(50,744)	(50,744)
Total Property, Plant and Equipment	-	9,106	9,106

Reconciliation of opening and closing balances of property, plant and equipment

Net book value 1 July 2021	1,550,000	8,878	1,588,878
Additions:			
By purchase	-	2,967	2,967
Revaluations	242,960	-	242,960
Impairments	-	-	-
Depreciation expense	(24,960)	(2,739)	(27,699)
Disposals	(1,768,000)	-	(1,768,000)
Net book value 30 June 2022	-	9,106	9,106
Net book value as of 30 June 2022 represented by:			
Gross book value	-	59,850	59,850
Accumulated depreciation and impairment	-	(50,744)	(50,744)
Net book value 30 June 2022	-	9,106	9,106

2023	2022
\$	\$

Note 7 Current Liabilities

Note 7A: Trade payables

Trade creditors and accruals	53,908	51,396
Subtotal trade creditors	53,908	51,396
Payables to other reporting unit(s)		
Subtotal payables to other reporting unit(s)	-	-
Total trade payables	53,908	51,396

Note 7B: Other payables

Superannuation	1,330	1,267
Payable to employers for making payroll deductions of membership subscriptions	-	-
Legal costs		
Litigation	-	-
Other legal costs	-	-
GST payable	-	-
Other	10,034	10,075
Total other payables	11,364	11,342

Total other payables are expected to be settled in:

No more than 12 months	11,364	11,342
More than 12 months	-	-
Total other payables	11,364	11,342

Note 7C: Contract liabilities

Deferred income	77,802	95,497
Total contract liabilities	77,802	95,497

	2023	2022
	\$	\$

Note 8 Provisions

Note 8A: Employee provisions

Office holders:

Annual leave	-	-
Long service leave	-	-
Separations and redundancies	-	-
Other	-	-

Subtotal employee provisions—office holders

-	-
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Employees other than office holders:

Annual leave	6,181	1,158
Long service leave	-	-
Separations and redundancies	-	-
Other	-	-

Subtotal employee provisions—employees other than office holders

6,181	1,158
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Total employee provisions

6,181	1,158
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Current	6,181	1,158
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Non-current	-	-
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Total employee provisions	6,181	1,158
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Note 9 Equity

Note 9A: Other funds

Compulsory levy/voluntary contribution fund

Balance as at start of year	-	-
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Transferred to fund, account or controlled entity	-	-
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Transferred out of fund, account or controlled entity	-	-
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Balance as at end of year	-	-
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Total compulsory levy/voluntary contribution fund	-	-
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	2023	2022
	\$	\$
Note 10		
Cash Flow		
Note 10A: Cash flow reconciliation		
Reconciliation of cash and cash equivalents as per statement of financial position to statement of cash flow:		
Cash and cash equivalents as per:		
Statement of cash flow	148,925	517,923
Statement of financial position	148,925	517,923
Difference	<u>-</u>	<u>-</u>
Reconciliation of Surplus/(deficit) to net cash from operating activities:		
Surplus/(deficit) for the year	13,045	(161,075)
Adjustments for non-cash items		
Depreciation/amortisation	3,361	27,699
Accrued interest	(45,550)	-
Changes in assets/liabilities		
(Increase)/decrease in net receivables	1,349	(4,435)
(Increase)/decrease in prepayments	936	(373)
Increase/(decrease) in deferred income	(17,696)	(7,074)
Increase/(decrease) in other payables	2,575	24,325
Increase/(decrease) in employee provisions	5,022	(631)
Increase/(decrease) in accrued expenses	(40)	282
Net cash from (used by) operating activities	<u>(36,998)</u>	<u>(121,282)</u>
Note 10B: Cash flow information		
Cash inflows		
Other reporting unit/controlled entity(s)	-	-
Total cash inflows	<u>-</u>	<u>-</u>
Cash outflows		
Other reporting unit/controlled entity(s)	-	-
Total cash outflows	<u>-</u>	<u>-</u>

2023	2022
\$	\$

Note 11 Related Party Disclosures

Note 11A: Related party transactions for the reporting period

The following table provides the total amount of transactions that have been entered into with related parties for the relevant year.

Expenses paid to board members includes the following:

Board member’s honorarium	15,496	19,500
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Note 11B: Key management personnel remuneration for the reporting period

Short-term employee benefits

Salary (including annual leave taken)	152,000	147,002
Annual leave accrued	6,181	1,158
Performance bonus	-	-
Total short-term employee benefits	158,181	148,160

Post-employment benefits:

Superannuation	15,960	14,700
Total post-employment benefits	15,960	14,700

Other long-term benefits:

Long-service leave	-	-
Total other long-term benefits	-	-

Termination benefits

	-	-
Total	174,141	162,860

Note 12 Remuneration of Auditors

Value of the services provided

Financial statement audit services	4,950	4,700
Other services	-	-
Total remuneration of auditors	4,950	4,700

2023	2022
\$	\$

Note 13 Financial Instruments

Hair and Beauty Australia has financial instruments that are cash or cash equivalents, trade receivables, trade and some other payables and interest-bearing deposits that are carried at amortised cost.

Note 13A: Categories of Financial Instruments

Financial assets

At amortised cost:

Cash and cash equivalents	148,925	517,923
Interest bearing investments	2,100,000	-
Accounts receivable and other debtors	53,985	1,777,784
Total	2,302,910	2,295,707
Carrying amount of financial assets	2,302,910	2,295,707

Financial liabilities

At amortised cost:

Accounts payable and other payables	65,272	62,738
Total	65,272	62,738
Carrying amount of financial liabilities	65,272	62,738

Note 13B: Net income and expense from financial assets

Financial assets at amortised cost

Interest revenue	45,550	-
Net income from financial assets	45,550	-

Note 13C: Credit risk

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

Accounts receivable and other debtors that are neither past due nor impaired are considered to be of high credit quality. Aggregates of such amounts are detailed at Note 5. The entity has no significant concentrations of credit risk exposure to any single counterparty or group of counterparties. Details with respect to credit risk of accounts receivable and other debtors are provided in Note 5.

Credit risk related to balances with banks and other financial institutions is managed by the finance committee in accordance with approved Board policy.

The following table illustrates the entity's gross exposure to credit risk, excluding any collateral or credit enhancements.

	Trade receivables and contract assets					Total \$
	Days past due					
	Current \$	<30 days \$	30-60 days \$	61-90 days \$	>91 days \$	
30 June 2023						
Expected credit loss rate	-%	-%	-%	-%	-%	
Estimate total gross carrying amount at default	41,637	12,348	-	-	-	53,985
Expected credit loss	-	-	-	-	-	-
30 June 2022						
Expected credit loss rate	-%	-%	-%	-%	-%	
Estimate total gross carrying amount at default	1,769,885	6,281	1,398	-	220	1,777,784
Expected credit loss	-	-	-	-	-	-

Hair and Beauty Australia's maximum exposure to credit risk for the components of the statement of financial position at 30 June 2023 and 2022 is the carrying amounts as illustrated above.

Note 13D: Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The entity manages this risk through the following mechanisms:

- Preparing forward-looking cash flow analyses in relation to its operating, investing and financing activities;
- Maintaining a reputable credit profile;
- Managing credit risk related to financial assets;
- Only investing surplus cash with major financial institutions; and
- Comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The entity's policy is to ensure no more than 30% of borrowings should mature in any 12-month period.

The table below reflects an undiscounted contractual maturity analysis for non-derivative financial liabilities. The entity does not hold any derivative financial liabilities directly.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

Contractual maturities for financial liabilities and lease liabilities are as follows:

Financial liabilities	On Demand	< 1 year	1– 2 years	2– 5 years	>5 years	Total
		\$	\$	\$	\$	\$
30 June 2023						
Payables	-	65,272	-	-	-	65,272
Borrowings	-	-	-	-	-	-
Lease liabilities	-	-	-	-	-	-
Total	-	65,272	-	-	-	65,272

Financial liabilities
30 June 2022

Payables	-	62,738	-	-	-	62,738
Borrowings	-	-	-	-	-	-
Lease liabilities	-	-	-	-	-	-
Total	-	62,738	-	-	-	62,738

Note 13E: Market risk

Interest rate risk

Interest rate risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Hair and Beauty Australia's exposure to the risk of changes in market interest rates relates primarily to its interest bearing deposits and cash at bank.

The entity also manages interest rate risk by ensuring that, whenever possible, payables are paid within any pre-agreed credit terms.

The following table demonstrates the sensitivity to a reasonably possible change in interest rate of those interest bearing deposits and cash at bank:

	2023			2022		
	Change in risk variable	Effect on		Change in risk variable	Effect on	
		Profit or loss	Equity		Profit or loss	Equity
	%	\$	\$		\$	\$
Interest rate risk	[+1%]	+22,489	+22,489	[+1%]	+5,179	+5,179
Interest rate risk	[-1%]	-22,489	-22,489	[-1%]	-5,179	-5,179

Note 14 Fair value measurements

The entity 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.

Note 14A: Financial assets and liabilities

Hair and Beauty Australia assessed that cash, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of financial assets and liabilities is included at the amount which the instrument could be exchanged in a current transaction between willing parties.

The following table contains the carrying amounts and related fair values for Hair and Beauty Australia's financial assets and liabilities:

	Carrying amount 2023 \$	Fair value 2023 \$	Carrying amount 2022 \$	Fair value 2022 \$
Financial assets				
Cash and cash equivalents	148,925	148,925	517,923	517,923
Interest bearing investments	2,100,000	2,100,000	-	-
Accounts receivable and other debtors	53,985	53,985	1,777,784	1,777,784
Total	2,302,910	2,302,910	2,295,707	2,295,707
Financial liabilities				
Amounts payable and other payables	65,272	65,272	62,738	62,738
Total	65,272	65,272	62,738	62,738

Note 15 Section 272 Fair Work (Registered Organisations) Act 2009

In accordance with the requirements of the *Fair Work (Registered Organisations) Act 2009*, the attention of members is drawn to the provisions of subsections (1) to (3) of section 272, which reads as follows:

Information to be provided to members or the General Manager:

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


HAIR AND BEAUTY AUSTRALIA

Officer declaration statement


We, Maureen Harding and Brian Flohm, being the office holders of the Hair and Beauty Australia, declare that the following activities did not occur during the reporting period ending 30 June 2023.

Hair and Beauty Australia did not:

- agree to provide financial support to another reporting unit to ensure they continue as a going concern
- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- have another entity administer the financial affairs of the reporting unit
- make a payment to a former related party of the reporting unit

Director 

Maureen Harding

Director 

Brian Flohm

Dated: 17 / 10 / 2023