



16 January 2025

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

Dear Maureen Harding

**Hair and Beauty Australia
Financial Report for the year ended 30 June 2024 – (FR2024/170)**

I acknowledge receipt of the financial report for the year ended 30 June 2024 for the Hair and Beauty Australia (the reporting unit). The documents were lodged with the Fair Work Commission (the Commission) on 23 December 2024. I also acknowledge receipt of supplementary information on 9 and 13 January 2025 addressing the issues I raised in the email I sent on 8 and 10 January 2025.

The financial report has now been filed.

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 2025 may be subject to an advanced compliance review.

You are not required to take any further action in respect of the report lodged. I make the following comments to assist you when you next prepare a financial report. The Commission will confirm these concerns have been addressed prior to filing next year's report.

Rotation of registered auditor

You must rotate your registered auditor

Correspondence was provided to the reporting unit on 30 July 2024, which alerted you that your registered auditor is approaching their statutory limit on how many consecutive financial years they are permitted to audit your financial report. The financial report lodged identifies that Vishal Modi was the reporting unit's registered auditor for this financial year. Our records indicate that you have now used your current registered auditor for five consecutive financial years, which is the statutory limit under section 256A.

Please ensure that Vishal Modi is not assigned to audit the financial report of the reporting unit for at least the following two financial years. Further information on the rotation of registered auditor requirement can be found via [this link](#).

Timescale requirements

As you are aware, an organisation is required under the RO Act to undertake certain steps in accordance with specified timelines. Information about these timelines can be found on the Commission's website, in particular, the fact sheet [financial reporting process](#) which explains the timeline requirements, and the fact sheet [summary of financial reporting timelines](#) which sets out the timelines in diagrammatical format. The Commission's website also contains a [compliance calculator](#) to help organisations comply with the RO Act timelines.

I note that the following timescale requirement was not met:

Documents must be lodged with the Commission within 14 days after general meeting of members

Section 268 of the RO Act requires a copy of the full report and the designated officer's certificate to be lodged with the Commission within 14 days after the general meeting of members referred to in section 266.

The designated officer's certificate indicates that this meeting occurred on 25 November 2024. If this is correct the documents should have been lodged with the Commission by 9 December 2024.

The full report was not lodged until 23 December 2024.

If this date is correct, the reporting unit should have applied to the General Manager of the Commission for an extension of time to allow a longer period to lodge the required documents.

Please note that in future financial years if the reporting unit cannot lodge within the 14 day period prescribed, a written request for an extension of time, signed by a relevant officer, including any reason for the delay, must be made *prior to* the expiry of the 14 day period.

Statement of financial position

Materiality

Australian Accounting Standard AASB 101 *Presentation of Financial Statements* paragraph 97 requires material items to be presented separately. Note 7B *Other payables* to the financial statements reports \$134,711 as 'other', which is a material amount. In future years this item must be further divided to ensure that any material items within 'other' are separately disclosed and appropriately classified.

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

**PLEASE SIGN
AND RETURN**



HAIR AND BEAUTY AUSTRALIA

**Financial Statements
2023 – 2024**

HAIR AND BEAUTY AUSTRALIA

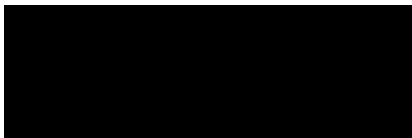
Section 268 *Fair Work (Registered Organisations) Act 2009*

Certificate by prescribed designated officer

Certificate for the year ended 30 June 2024

I, Maureen Harding, being the National President of the Hair & Beauty Australia certify:

- that the documents lodged herewith are copies of the full report for the Hair & 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 30/10/ 2024 and
- that the full report was presented to *a general meeting of members* of the reporting unit on 25/ 11 /2024 in accordance with section 266 of the *Fair Work (Registered Organisations) Act 2009*.



Signature of prescribed designated officer.....

Name of prescribed designated officer: Ms Maureen Harding Title of prescribed designated officer: National President

Dated:10 January 2025.....

Financial Statements 2023–24

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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 2024, 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 2024, 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:

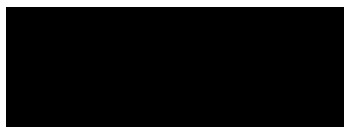
- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a 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.

Nexia

Nexia Sydney Audit Pty Ltd



Vishal Modi

Director

Registered Auditor no. AA2019/20

Dated this 30th day of October 2024

Sydney

Report required under subsection 255(2A)

for the year ended 30 June 2024

The committee of management presents the expenditure report as required under subsection 255(2A) on the reporting unit for the year ended 30 June 2024.

Descriptive form

Categories of expenditures	2024 (\$)	2023 (\$)
Remuneration and other employment-related costs and expenses – employees	174,373	167,960
Advertising	37,936	20,170
Operating costs	230,708	243,743
Donations to political parties	–	–
Legal costs	–	–

Director: 

Maureen Harding

Director: 

Brian Flohm

Dated: 30/10/2024

Operating report

for the year ended 30 June 2024

The committee of management presents its operating report on the reporting unit for the year ended 30 June 2024.

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

- 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 deficit for the year was \$175,174 (2023: surplus of \$13,045). - 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 2024 was 682 (2023: 668).

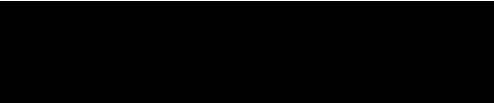
Number of employees

The number of employees as at 30 June 2024 which was measured on a full time equivalent basis was 1 (2023: 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
Mario Nasso	

Director: 

Director: Maureen Harding 

Brian Flohm

Dated: 30/10/2024

Committee of management statement

for the year ended 30 June 2024

On 30/10 / 2024 the Committee of Management of the Hair & Beauty Australia passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 30 June 2024:

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: ... [redacted] Director: ... [redacted]

Maureen Harding

Brian Flohm

Dated: 30/10/2024

HAIR AND BEAUTY AUSTRALIA

Statement of comprehensive income

for the year ended 30 June 2024

	Notes	2024	2023
		\$	\$
Revenue from contracts with customers	3		
Membership subscriptions		149,517	175,980
Capitation fees and other revenue from another reporting unit	3A	-	-
Levies	3B	-	-
Revenue from recovery of wages activity	3E	-	-
Total revenue from contracts with customers		149,517	175,980
Income for furthering objectives			
Grants and/or donations	3C	-	-
Income recognised from volunteer services	3D	-	-
Total income for furthering objectives		-	-
Other income			
Investment income	3F	67,735	45,550
Rental income	3G	-	200
Other income	3H	53,714	226,825
Total other income		121,449	272,575
Total income		270,966	448,555
Expenses			
Employee expenses	4A	190,873	183,456
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	3,123	3,361
Legal costs	4F	-	-
Other expenses	4G	246,944	243,743
Audit fees	12	5,200	4,950
Total expenses		446,140	435,510
Surplus (deficit) for the year		(175,174)	13,045
Other comprehensive income			
Items that will not be subsequently reclassified to profit or loss			
Gain/(loss) on revaluation of land & buildings		-	-
Total comprehensive income for the year		(175,174)	13,045

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

HAIR AND BEAUTY AUSTRALIA

Statement of financial position

as at 30 June 2024

	Notes	2024 \$	2023 \$
ASSETS			
Current assets			
Cash and cash equivalents	5A	198,848	148,925
Trade and other receivables	5B	6,392	53,985
Financial assets	5C	2,000,547	2,100,000
Other current assets	5D	4,860	4,220
Total current assets		2,210,647	2,307,130
Non-current assets			
Property, plant and equipment	6A	4,057	5,746
Total non-current assets		4,057	5,746
Total assets		2,214,704	2,312,876
LIABILITIES			
Current liabilities			
Trade payables	7A	4,477	53,908
Other payables	7B	139,770	11,364
Employee provisions	8A	14,595	6,181
Contract liabilities	7C	67,415	77,802
Total current liabilities		226,257	149,255
Non-current liabilities			
Total non-current liabilities		-	-
Total liabilities		226,257	149,255
Net assets		1,988,447	2,163,621
EQUITY			
General fund/retained earnings		1,988,447	2,163,621
Other funds	9A	-	-
Reserves		-	-
Total equity		1,988,447	2,163,621

The above statement should be read in conjunction with the notes

Statement of changes in equity

for the year ended 30 June 2024

	Notes	General funds / retained earnings \$	Other funds \$	Reserves \$	Total equity \$
Balance as at 1 July 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
Surplus / (deficit)		(175,174)	-	-	(175,174)
Closing balance as at 30 June 2024		1,988,447	-	-	1,988,447

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 2024

	Notes	2024 \$	2023 \$
OPERATING ACTIVITIES			
Cash received			
Receipts from customers and others		190,392	436,902
Receipts from other reporting unit/controlled entity(s)	10B	-	-
Interest		113,285	-
Cash used			
Employees		(188,424)	(183,456)
Suppliers		(163,349)	(290,444)
Payment to other reporting units/controlled entity(s)	10B	-	-
Net cash from (used by) operating activities	10A	(48,096)	(36,998)
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of plant and equipment		-	-
Proceeds from sale of land and buildings		-	1,768,000
Cash used			
Purchase of plant and equipment		(1,435)	-
Purchase of land and buildings		-	-
Term Deposits		99,453	(2,100,000)
Net cash from (used by) investing activities		98,018	(332,000)
FINANCING ACTIVITIES			
Net cash from (used by) financing activities		-	-
Net increase (decrease) in cash held		49,922	(368,998)
Cash & cash equivalents at the beginning of the reporting period		148,926	517,923
Cash & cash equivalents at the end of the reporting period	5A	198,848	148,925

The above statement should be read in conjunction with the notes

Index to the notes of the financial statements

Note 1	Summary of material 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
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Note 10	Cash flow
Note 11	Related party disclosures
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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 material 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 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 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates

This standard amends:

- AASB 7 *Financial Instruments: Disclosures*, to clarify that information about measurement bases for financial instruments is expected to be material to an entity's financial statements;
- AASB 101 *Presentation of Financial Statements*, to require entities to disclose their material accounting policy information rather than their significant accounting policies;
- AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, to clarify how entities should distinguish changes in accounting policies and changes in accounting estimates;
- AASB 134 *Interim Financial Reporting* 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.

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* (AASB 101) 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, as amended by AASB 2022–6 (refer below) applies to annual reporting periods beginning on or after 1 January 2024. 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 2022–6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants

This amends AASB 101 *Presentation of Financial Statements* (AASB 101) to improve the information an entity provides in its financial statements about long-term liabilities with covenants where the entity's right to defer settlement of those liabilities for at least twelve months after the reporting period is subject to the entity's complying with conditions specified in the loan arrangement.

AASB 2022–6 also defers the application date of AASB 2020–1 to annual reporting periods beginning on or after 1 January 2024.

This Standard applies to annual reporting periods beginning on or after 1 January 2024. 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 2022–10 Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities

The standard amends AASB 13 *Fair Value Measurement* (AASB 13), for fair value measurements of non-financial assets of Not-for-Profit public sector entities not held primarily for their ability to generate net cash inflows.

This Standard applies to annual reporting periods beginning on or after 1 January 2024. 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.

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 Australis.

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 Australis 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 rounds), 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 loans to related parties.

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

Asset recognition threshold

Purchases of land, buildings, plant and equipment are recognised initially at cost in the statement of financial position. The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

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:

	2024	2023
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.

2024	2023
\$	\$

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:

<i>Type of customer</i>		
Members	149,517	175,980
Other reporting units	-	-
Government	-	-
Other parties	-	-
Total revenue from contracts with customers	149,517	175,980

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

Capitation fees:		
Subtotal capitation fees	-	-
Other revenue from another reporting unit:		
Subtotal other revenue from another reporting unit	-	-
Total capitation fees and other revenue from another reporting unit	-	-

Note 3B: Levies

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

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

	2024	2023
	\$	\$
Note 3D: Income recognised from volunteer services		
Amounts recognised from volunteer services	-	-
Total income recognised from volunteer services	<u>-</u>	<u>-</u>
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	<u>-</u>	<u>-</u>
Note 3F: Investment income		
Interest		
Financial Assets (term deposits)	67,735	45,550
Total investment income	<u>67,735</u>	<u>45,550</u>
Note 3G: Rental income		
Properties	-	200
Total rental income	<u>-</u>	<u>200</u>
Note 3H: Other income		
Miscellaneous income	-	170,878
Commission and other income	53,714	55,947
Total other income	<u>53,714</u>	<u>226,825</u>

	2024	2023
	\$	\$
Note 4 Expenses		
Note 4A: Employee expenses		
Holders of office:		
Wages and salaries	-	-
Superannuation	-	-
Leave and other entitlements	-	-
Honorarium to board members	16,500	15,496
Other employee expenses	-	-
Subtotal employee expenses holders of office	<u>16,500</u>	<u>15,496</u>
Employees other than office holders:		
Wages and salaries	157,235	152,000
Superannuation	17,138	15,960
Leave and other entitlements	-	-
Separation and redundancies	-	-
Other employee expenses	-	-
Subtotal employee expenses employees other than office holders	<u>174,373</u>	<u>167,960</u>
Total employee expenses	<u>190,873</u>	<u>183,456</u>
 Note 4B: Capitation fees and other expense to another reporting unit		
Capitation fees	-	-
Subtotal capitation fees	<u>-</u>	<u>-</u>
Other expense to another reporting unit	-	-
Subtotal other expense to another reporting unit	<u>-</u>	<u>-</u>
Total capitation fees and other expense to another reporting unit	<u>-</u>	<u>-</u>
 Note 4C: Affiliation fees		
Affiliation fees/subscriptions	-	-
Total affiliation fees/subscriptions	<u>-</u>	<u>-</u>

	2024	2023
	\$	\$
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	<u>-</u>	<u>-</u>

Note 4E: Depreciation and amortisation

Depreciation		
Buildings	-	-
Property, plant and equipment	3,123	3,361
Total depreciation	<u>3,123</u>	<u>3,361</u>
Total depreciation and amortisation	<u>3,123</u>	<u>3,361</u>

Note 4F: Legal costs

Litigation	-	-
Other legal costs	-	-
Total legal costs	<u>-</u>	<u>-</u>

Note 4G: Other expenses

Marketing	37,936	20,170
Bank fees	1,491	1,543
Computer expenses	-	503
Consultant fees	166,250	175,000
Insurance	6,141	6,599
Occupancy expenses	-	422
Repairs and Maintenance	-	72
Telephone	7,792	8,796
Training	-	677
Travelling	820	303
Administration expenses	15,516	14,721
Other	10,998	14,937
Total other expenses	<u>246,944</u>	<u>243,743</u>

	2024	2023
	\$	\$
Note 5 Current Assets		
Note 5A: Cash and cash equivalents		
Cash at bank	198,848	148,925
Cash on hand	-	-
Other	-	-
Total cash and cash equivalents	198,848	148,925
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
Interest receivable	-	45,550
Other	6,392	3,940
Total other receivables	6,392	53,985
Total trade and other receivables (net)	6,392	53,985
Note 5C: Financial Assets		
Interest bearing investment	2,000,547	2,100,000
Total financial assets	2,000,547	2,100,000
Note 5D: Other current assets		
Prepayments	4,860	4,220
Total other current assets	4,860	4,220

Note 6 Non-current Assets

Note 6A: Property, Plant and Equipment

2024

	Land \$	Buildings	Plant and Equipment \$	Total \$
Property, Plant and Equipment carrying amount	-	-	61,285	61,285
accumulated depreciation	-	-	(57,228)	(57,228)
Total Property, Plant and Equipment	-	-	4,057	4,057

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

Net book value 1 July 2023	-	-	5,746	5,746
Additions				
By purchase	-	-	1,434	1,434
Revaluations	-	-	-	-
Impairments	-	-	-	-
Depreciation expense	-	-	(3,123)	(3,123)
Other movement <i>[give details below]</i>	-	-	-	-
Disposals				
<i>[list method]</i>	-	-	-	-
Other	-	-	-	-
Net book value 30 June 2024	-	-	4,057	4,057
Net book value as of 30 June 2024 represented by:				
Gross book value	-	-	61,285	61,285
Accumulated depreciation and impairment	-	-	(57,228)	(57,228)
Net book value 30 June 2024	-	-	4,057	4,057

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

2023

	Land	Buildings	Plant and Equipment	Total
	\$	\$	\$	\$
Property, Plant and Equipment				
carrying value	-	-	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	-	-	-	-
Revaluations	-	-	-	-
Impairments	-	-	-	-
Depreciation expense	-	-	(3,361)	(3,361)
Other movement <i>[give details below]</i>	-	-	-	-
Disposals				
<i>[list method]</i>	-	-	-	-
Other	-	-	-	-
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

	2024	2023
	\$	\$
Note 7 Current Liabilities		
Note 7A: Trade payables		
Trade creditors and accruals	4,477	53,908
Subtotal trade creditors	<u>4,477</u>	<u>53,908</u>
Payables to other reporting unit(s)		
Subtotal payables to other reporting unit(s)	<u>-</u>	<u>-</u>
Total trade payables	<u>4,477</u>	<u>53,908</u>
Note 7B: Other payables		
Wages and salaries	-	-
Superannuation	1,602	1,330
Payable to employers for making payroll deductions of membership subscriptions	-	-
Legal costs		
Litigation	-	-
Other legal costs	-	-
GST payable	3,457	-
Other	134,711	10,034
Total other payables	<u>139,770</u>	<u>11,364</u>
Total other payables are expected to be settled in:		
No more than 12 months	139,770	11,364
More than 12 months	-	-
Total other payables	<u>139,770</u>	<u>11,364</u>
Note 7C: Contract liabilities		
Deferred income	67,415	77,802
Total contract liabilities	<u>67,415</u>	<u>77,802</u>

	2024	2023
	\$	\$
Note 8 Provisions		
Note 8A: Employee provisions		
Office holders:		
Annual leave	-	-
Long service leave	-	-
Separations and redundancies	-	-
Other	-	-
<i>Subtotal employee provisions—office holders</i>	-	-
Employees other than office holders:		
Annual leave	14,595	6,181
Long service leave	-	-
Separations and redundancies	-	-
Other	-	-
<i>Subtotal employee provisions—employees other than office holders</i>	14,595	6,181
Total employee provisions	14,595	6,181
Current	14,595	6,181
Non-current	-	-
<i>Total employee provisions</i>	14,595	6,181

Note 9 Equity

Note 9A: Other funds

Compulsory levy/voluntary contribution fund		
Balance as at start of year	-	-
Transferred to fund, account or controlled entity	-	-
Transferred out of fund, account or controlled entity	-	-
Balance as at end of year	-	-
Total compulsory levy/voluntary contribution fund	-	-
Other fund(s) required by rules		
Balance as at start of year	-	-
Transferred to reserve	-	-
Transferred out of reserve	-	-
Balance as at end of year	-	-

	2024	2023
	\$	\$
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	198,848	148,925
Statement of financial position	198,848	148,925
Difference	<u>-</u>	<u>-</u>
Reconciliation of Surplus/(deficit) to net cash from operating activities:		
Surplus/(deficit) for the year	(175,174)	13,045
Adjustments for non-cash items		
Depreciation/amortisation	3,123	3,361
Accrued interest	45,550	(45,550)
Fair value movements in investment property	-	-
Gain on disposal of assets	-	-
Changes in assets/liabilities		
(Increase)/decrease in net receivables	(2,452)	1,349
(Increase)/decrease in prepayments	(640)	936
Increase/(decrease) in deferred income	(10,387)	(17,696)
Increase/(decrease) in other payables	(40,466)	2,575
Increase/(decrease) in employee provisions	8,415	5,022
Increase/(decrease) in accrued expenses	123,935	(40)
Net cash from (used by) operating activities	<u>(48,096)</u>	<u>(36,998)</u>
Note 10B: Cash flow information		
Cash inflows		
Other reporting unit/controlled entity	-	-
Total cash inflows	<u>-</u>	<u>-</u>
Cash outflows		
Other reporting unit/controlled entity	-	-
Total cash outflows	<u>-</u>	<u>-</u>

	2024	2023
	\$	\$

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	16,500	15,496
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Note 11B: Key management personnel remuneration for the reporting period

Short-term employee benefits

Salary (including annual leave taken)	157,235	152,000
Annual leave accrued	14,595	6,181
Performance bonus	-	-
Total short-term employee benefits	171,830	158,181

Post-employment benefits:

Superannuation	17,138	15,960
Total post-employment benefits	17,138	15,960

Other long-term benefits:

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

Termination benefits

	-	-
Total	188,968	174,141

Note 12 Remuneration of Auditors

Value of the services provided

Financial statement audit services	5,200	4,950
Other services	-	-
Total remuneration of auditors	5,200	4,950

2024	2023
\$	\$

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 loans that are carried at amortised cost.

Note 13A: Categories of Financial Instruments

Financial assets

At amortised cost:

Cash and cash equivalents	198,848	148,925
Interest bearing investments	2,000,547	2,100,000
Accounts receivable and other debtors	6,392	53,985
Total	2,205,787	2,302,910
Carrying amount of financial assets	2,205,787	2,302,910

Financial liabilities

At amortised cost:

Accounts payable and other payable	144,247	65,272
Total	144,247	65,272
Carrying amount of financial liabilities	144,247	65,272

Note 13B: Net income and expense from financial assets

Financial assets at amortised cost

Interest revenue	67,735	45,550
Net income/(expense) from financial assets	67,735	45,550

Note 13C: Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Hair and Beauty Australia is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits held with banks. Set out below is the information about the credit risk exposure on trade receivables and contract assets using a provision matrix:

	Trade receivables and contract assets					Total \$
	Days past due					
	Current \$	<30 days \$	30-60 days \$	61-90 days \$	>91 days \$	
30 June 2024						
Expected credit loss rate	-%	-%	-%	-%	-%	
Estimate total gross carrying amount at default	6,392	-	-	-	-	6,392
Expected credit loss	-	-	-	-	-	-
30 June 2023						
Expected credit loss rate	-%	-%	-%	-%	-%	
Estimate total gross carrying amount at default	41,637	12,348	-	-	-	53,985
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 2024 and 2023 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 following tables sets out the liquidity risk of financial liabilities held by Hair and Beauty Australia. They represent the contractual maturity of financial liabilities, calculated based on undiscounted cash flows relating to the liabilities at reporting date. The undiscounted cash flows in these tables differ from the amounts included in the statement of financial position that are based on discounted cash flows.

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 2024						
Payables	-	144,247	-	-	-	144,247
Borrowings	-	-	-	-	-	-
Lease liabilities	-	-	-	-	-	-
Total	-	144,247	-	-	-	144,247
Financial liabilities						
30 June 2023						
Payables	-	65,272	-	-	-	65,272
Borrowings	-	-	-	-	-	-
Lease liabilities	-	-	-	-	-	-
Total	-	65,272	-	-	-	65,272

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 Australis'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:

	Change in risk variable %	2024		Change in risk variable	2023	
		Effect on			Effect on	
		Profit or loss \$	Equity \$		Profit or loss \$	Equity \$
Interest rate risk	[+ 1%]	+21,994	21,994	[+ 1%]	+22,489	+22,489
Interest rate risk	[- 1%]	-21,994	-21,994	[- 1%]	-22,489	-22,489

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 2024 \$	Fair value 2024 \$	Carrying amount 2023 \$	Fair value 2023 \$
Financial assets				
Cash and cash equivalents	198,848	198,848	148,925	148,925
Interest bearing investments	2,000,547	2,000,547	2,100,000	2,100,00
Accounts receivable and other debtors	6,392	6,392	53,985	53,985
Total	2,205,787	2,205,787	2,302,910	2,302,910
Financial liabilities				
Accounts payable and other payables	144,247	144,247	65,272	65,272
Total	144,247	144,247	65,272	65,272

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:

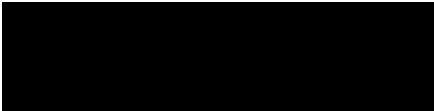
1. A member of a reporting unit, or the General Manager, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
2. The application must be in writing and must specify the period within which, and 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).

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 2024.

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:  30/10/2024