



23 February 2026

Maureen Harding  
President  
Hair and Beauty Australia

Sent via email: [info@askhaba.com.au](mailto:info@askhaba.com.au)

CC: [elvis@ejkaccounting.com.au](mailto:elvis@ejkaccounting.com.au)

Dear Maureen Harding

**Hair and Beauty Australia  
Financial Report for the year ended 30 June 2025 – FR2025/120**

I acknowledge receipt of the financial report for the year ended 30 June 2025 for Hair and Beauty Australia (the reporting unit). The documents were lodged with the Fair Work Commission (the Commission) on 10 January 2026.

The financial report has now been filed. 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 matters have been addressed prior to filing next year's report.

**1. Qualified Audit Report**

Elvis Kovacic, registered auditor AA2022/7, audited the reporting unit's financial report for the year ended 30 June 2025. This is the first year that Elvis Kovacic has been the auditor of the reporting unit. The audit report issued for this financial report contained a qualified opinion. The basis for this qualified opinion was:

"I was appointed as auditor of the Reporting Unit for the year ended 30 June 2025 and this is the first year of my appointment. I was unable to obtain sufficient appropriate audit evidence regarding the opening balances as at 1 July 2024 because I was not the auditor in the prior year. The opening balances affect the determination of the results of operations and cash flows for the year ended 30 June 2025. As a result, I was unable to determine whether any adjustments might have been necessary in respect of the financial performance for the year ended 30 June 2025 and the accompanying statement of cash flows. Accordingly, my opinion on the current year financial report is qualified in respect of this matter."

In my letter to the reporting unit on 20 January 2026 I advised that where a financial report receives an audit qualification the Commission is required to consider the matter under section 332 of the RO Act. I requested responses to the following questions:

- i. why they were unable to satisfy themselves concerning the opening balances as at 1 July 2024, taking into account the procedures detailed in Australian Auditing Standards *ASA 510 Initial Audit Engagement – Opening Balances*;
- ii. provide any other information that the auditor considers relevant in forming their opinion that the audit report be qualified;
- iii. advise whether the matters which are the subject of the qualification will be remedied in the financial year ended 30 June 2026; and
- iv. if they are to be remedied, how this will be achieved.

On 4 February 2026, the reporting unit's registered auditor provided a response to those questions. He submitted that the qualification will be remedied in the following financial year on the following grounds:

- i. why they were unable to satisfy themselves concerning the opening balances as at 1 July 2024, taking into account the procedures detailed in Australian Auditing Standards *ASA 510 Initial Audit Engagement – Opening Balances*;

"In accordance with ASA 510, I performed audit procedures designed to obtain sufficient appropriate audit evidence regarding whether the opening balances contained misstatements that could materially affect the current period's financial report. These procedures included, among other things:

- Auditing the closing balances as at 30 June 2025 and testing movements throughout the year to obtain evidence regarding the opening balances as at 1 July 2024, including review of the prior year audited financial statements;
- Auditing the statement of comprehensive income and cash flows for the year ended 30 June 2025 to assess whether any misstatements in opening balances could materially affect the current period; and
- Assessing whether accounting policies applied in the current period were consistent with those applied in the prior period.

These procedures did not identify any material misstatements in the current year financial report, nor did they identify any matters suggesting that the opening balances as at 1 July 2024 were materially misstated.

However, as this was an initial audit engagement and I did not audit the prior period, there remained an inherent limitation in the audit evidence available to me in respect of the opening balances. In exercising professional judgement, and having regard to the requirements of ASA 510, I determined that it was appropriate to reflect this limitation through a qualification limited to the potential effect of opening balances on the financial performance and cash flows for the year ended 30 June 2025.

Based on the audit procedures performed and the evidence obtained, including review of the prior year audited financial statements, the qualification included in the audit report reflects a procedural limitation inherent in a first-year engagement and there are no known defects, irregularities, deficiencies, failures or

shortcomings. In hindsight, the qualification could be removed if the report were to be reissued, but it does not reflect any substantive issue with the financial report.”

- ii. provide any other information that the auditor considers relevant in forming their opinion that the audit report be qualified;

“For clarity, the qualification included in my audit report reflects a limitation inherent in an initial audit engagement rather than the identification of any defect, irregularity, deficiency, failure or shortcoming in the reporting unit’s financial records. Based on the audit procedures performed, there is no known matter requiring investigation or remediation, and the qualification does not indicate non-compliance with the Fair Work (Registered Organisations) Act 2009.”

- iii. advise whether the matters which are the subject of the qualification will be remedied in the financial year ended 30 June 2026; **and**
- iv. if they are to be remedied, how this will be achieved.

“The matter giving rise to the qualification is procedural in nature and is expected to be resolved in the ordinary course of the audit process in the financial year ending 30 June 2026, as the audited closing balances as at 30 June 2025 will form the opening balances for that period.”

The response provided by Elvis Kovacic has been considered and in this instance the Commission has accepted the auditor’s assurance that the matters subject to qualification in the audit report will be remedied in the following financial year. The General Manager will therefore not commence an investigation under section 332 of the RO Act. Please note that as a result of this qualification, the reporting unit’s financial report for the year ending 30 June 2026 will again be subject to an advanced compliance review.

## **2. Auditor’s Statement**

### Audit scope to include officer’s declaration statement

Where nil activity disclosures are contained in an officer’s declaration statement, in accordance with reporting guideline 20, the officer’s declaration statement also forms part of a general purpose financial report prepared under section 253 of the RO Act.

Please also note that an officer’s declaration statement must, where one is prepared, be identified by title in the auditor’s statement in accordance with paragraph 24(c) of Australian Auditing Standard ASA 700 *Forming an Opinion and Reporting on a Financial Report*.

An officer’s declaration statement was included in the documents lodged with the Commission but the auditor did not refer to the statement in the auditor’s statement.

In future, the auditor’s statement must include reference to the officer’s declaration statement within its scope.

## **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](mailto:regorgs@fwc.gov.au).

Yours sincerely

**Fair Work Commission**



20 January 2026

Maureen Harding  
President  
Hair and Beauty Australia

Sent via email: [info@askhaba.com.au](mailto:info@askhaba.com.au)

CC: [elvis@ejkaccounting.com.au](mailto:elvis@ejkaccounting.com.au)

Dear Maureen Harding

**Hair and Beauty Australia  
Financial Report for the year ended 30 June 2025 – FR2025/120**

I acknowledge receipt of the financial report for the year ended 30 June 2025 for Hair and Beauty Australia (the reporting unit). The documents were lodged with the Fair Work Commission (the Commission) on 10 December 2025.

During the assessment of the lodged financial report, it was noted that the independent audit report, which was issued by the registered auditor Elvis Kovacic, includes the following qualified audit opinion:

“I was appointed as auditor of the Reporting Unit for the year ended 30 June 2025 and this is the first year of my appointment. I was unable to obtain sufficient appropriate audit evidence regarding the opening balances as at 1 July 2024 because I was not the auditor in the prior year. The opening balances affect the determination of the results of operations and cash flows for the year ended 30 June 2025. As a result, I was unable to determine whether any adjustments might have been necessary in respect of the financial performance for the year ended 30 June 2025 and the accompanying statement of cash flows. Accordingly, my opinion on the current year financial report is qualified in respect of this matter.”

Under the *Fair Work (Registered Organisations) Act 2009* (RO Act), Part 4 of Chapter 11 deals with inquires and investigations. Section 332 of the RO Act in particular deals with investigations arising from auditor’s report. Subsection 332(1) states that:

*Subject to subsection (2) the General Manager must:*

- (a) *where the documents lodged with the FWC under section 268 include a report of an auditor setting out any:*
  - (i) *defect or irregularity; or*
  - (ii) *deficiency, failure or shortcoming; and*

- (b) *where for any other reason the General Manager considers that a matter revealed in the documents should be investigated – investigate the matter.*

Subsection 332(2) states that:

The General Manager is not required to investigate the matters raised in the report of the auditor if:

- (a) *the defect, irregularity, deficiency, failure or shortcoming consists solely of the fact that the organisation concerned has kept financial records for its membership subscriptions separately on a cash basis as provided in subsection 252(4); or*
- (b) *after consultation with the reporting unit and the auditor, the General Manager is satisfied that the matters are trivial or will be remedied in the following financial year.*

In order to allow the General Manager to make an informed decision on the course of action to follow under section 332, I am seeking your assistance in understanding the basis upon which the auditor has included a qualification in their report. In particular, I would appreciate if you could:

- Provide an explanation from the auditor as to why they were unable to satisfy themselves concerning the opening balances as at 1 July 2021, taking into account the procedures detailed in Australian Auditing Standards ASA 510 Initial Audit Engagement – Opening Balances;
- Provide any other information that the auditor considers relevant in forming their opinion that the audit report be qualified;
- Advise whether, in your opinion and in the auditor’s opinion, the matters which are the subject of the qualification will be remedied in the financial year ended 30 June 2026; and
- If they are to be remedied, how this will be achieved.

This information is to be provided to the Commission by **Friday 6 February 2026**.

If you have any queries regarding this letter, please call 1300 341 665 or email [regorgs@fwc.gov.au](mailto:regorgs@fwc.gov.au).

Yours sincerely

**Fair Work Commission**



# **HAIR AND BEAUTY AUSTRALIA**

**Financial Statements  
2024 – 2025**

**HAIR AND BEAUTY AUSTRALIA**

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

**Certificate by prescribed designated officer**

Certificate for the year ended 30 June 2025

I, Maureen Harding, being the President 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 section 268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on 14 / 11 /2025; and
- that the full report was presented to a general meeting of members of the reporting unit on 08 / 12 /2025 in accordance with section 266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:



Name of prescribed designated officer:

Maureen Harding

Title of prescribed designated officer:

National President

Dated: 08/12/2025

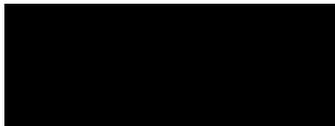
## Financial Statements 2024–25

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## DECLARATION OF INDEPENDENCE TO THE MEMBERS OF HAIR AND BEAUTY AUSTRALIA

As lead auditor for the audit of Hair and Beauty Australia for the year ended 30 June 2025, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.



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Elvis Kovacic

10 Rocher Avenue  
Hunters Hill NSW 2110  
AA2022/7

Date: 14 November 2025

## INDEPENDENT AUDIT REPORT TO THE MEMBERS OF HAIR AND BEAUTY AUSTRALIA

### ***Report on the Audit of the Financial Report***

#### ***Qualified Opinion***

I have audited the financial report of Hair and Beauty Australia. (the “Reporting Unit”), which comprises the statement of financial position as at 30 June 2025, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, the Committee of Management Statement, the subsection 255(2A) report.

In my opinion, except for the possible effects of the matter described in the *Basis for Qualified Position* section of my report, the accompanying financial report of Hair and Beauty Australia, presents fairly, in all material aspects, the financial position as at 30 June 2025, 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).

I declare that management’s use of the going concern basis of accounting in preparation of the reporting unit’s financial statements is appropriate.

#### ***Basis for Qualified Opinion***

I was appointed as auditor of the Reporting Unit for the year ended 30 June 2025 and this is the first year of my appointment. I was unable to obtain sufficient appropriate audit evidence regarding the opening balances as at 1 July 2024 because I was not the auditor in the prior year. The opening balances affect the determination of the results of operations and cash flows for the year ended 30 June 2025. As a result, I was unable to determine whether any adjustments might have been necessary in respect of the financial performance for the year ended 30 June 2025 and the accompanying statement of cash flows. Accordingly, my opinion on the current year financial report is qualified in respect of this matter.

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Reporting Unit in accordance with the ethical requirements of the Accounting Professional & 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. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit 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 comprises the information included in the operating report for the year ended 30 June 2025, but does not include the financial statements, and our auditor’s report thereon.

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

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I 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***

My 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 my 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 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, I exercise professional judgement and maintain professional scepticism throughout the audit. I 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 my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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 in the financial report. I am responsible for the direction, supervision and performance of the Reporting Unit audit. I remain solely responsible for my audit opinion.
- I 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 I identify during my audit.

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

***Report on Other Legal and Regulatory Requirements***

In accordance with the requirements of section 257(7) of the RO Act, I am required to describe any deficiency, failure or shortcoming in respect of the matters referred to in section 252 and 257(2) of the RO Act.

Elvis Kovacic



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14 November, 2025

Registration number (as registered by the RO Commissioner under the RO Act): AA2022/7

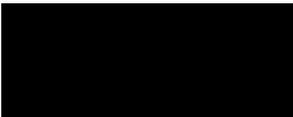
10 Rocher Avenue,  
Hunters Hill NSW 2110

## Report required under subsection 255(2A)

for the year ended 30 June 2025

The committee of management presents the expenditure report as required under subsection 255(2A) on the reporting unit for the year ended 30 June 2025.

Categories of expenditures	2025 (\$)	2024 (\$)
Remuneration and other employment-related costs and expenses – employees	194,902	174,373
Advertising	11,285	37,936
Operating costs	176,322	230,708
Donations to political parties	–	–
Legal costs	–	–

Signature of designated officer:  .....

Name and title of designated officer: Maureen Harding - President

Dated: 14 Nov 2025 .....

Signature of designated officer:  .....

Name and title of designated officer: Elvio Caires – Vice President

Dated: 14 Nov 2025 .....

## Operating report

*for the year ended 30 June 2025*

The committee of management presents its operating report on the reporting unit for the year ended 30 June 2025.

### **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 \$153,023 (2024: deficit of \$175,174). - 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**

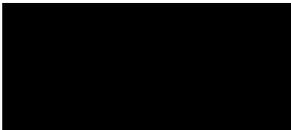
The number of members as at 30 June 2025 was 311 (2024: 682).

**Number of employees**

The number of employees as at 30 June 2025 which was measured on a full time equivalent basis was 1 (2024: 1).

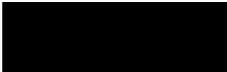
**Names of committee of management members and period positions held during the financial year**

Maureen Harding	President
Elvio Caires	Vice President
Wendy Campbell	Secretary
The Late Brian Flohm	Treasurer
Mario Nasso	Committee Member
Ameé Alfonso	Committee Member

Signature of designated officer: 

Name and title of designated officer: Maureen Harding – President

Dated: 14 Nov 2025

Signature of designated officer: 

Name and title of designated officer: Elvio Caires – Vice President

Dated: 14 Nov 2025

## Committee of management statement

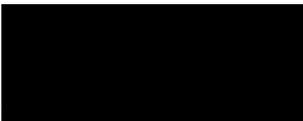
*for the year ended 30 June 2025*

On 14 / 11 / 2025 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 June 2025:

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.

Signature of designated officer:  .....

Name and title of designated officer: Maureen Harding - President

Dated: 14 Nov 2025 .....

Signature of designated officer: .....  .....

Name and title of designated officer: Elvio Caires – Vice President

Dated: 14 Nov 2025 .....

## HAIR AND BEAUTY AUSTRALIA

# Statement of comprehensive income

for the year ended 30 June 2025

	Notes	2025	2024
		\$	\$
<b>Revenue from contracts with customers</b>	3		
Membership subscriptions		127,898	149,517
Capitation fees and other revenue from another reporting unit	3A	-	-
Levies	3B	-	-
Revenue from recovery of wages activity	3E	-	-
<b>Total revenue from contracts with customers</b>		-	149,517
<b>Income for furthering objectives</b>			
Grants and/or donations	3C	-	-
Income recognised from volunteer services	3D	-	-
<b>Total income for furthering objectives</b>		-	-
<b>Other income</b>			
Investment income	3F	99,444	67,735
Other income	3G	40,164	53,714
<b>Total other income</b>		139,608	121,449
<b>Total income</b>		267,506	270,966
<b>Expenses</b>			
Employee expenses	4A	220,402	190,873
Capitation fees and other expense to another reporting unit	4B	-	-
Affiliation fees	4C	-	-
Administration expenses	4D	-	-
Grants or donations	4E	-	-
Depreciation and amortisation	4F	1,920	3,123
Legal costs	4G	-	-
Other expenses	4H	187,607	246,944
Audit fees	12	10,600	5,200
<b>Total expenses</b>		420,529	446,140
<b>Surplus (deficit) for the year before income tax</b>		(153,023)	(175,174)
Tax expense		-	-
<b>Surplus (deficit) for the year after income tax</b>		(153,023)	(175,174)
<b>Other comprehensive income</b>			
Items that will not be subsequently reclassified to profit or loss			
Gain/(loss) on revaluation of land & buildings		-	-
<b>Total comprehensive income for the year</b>		(153,023)	(175,174)

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

HAIR AND BEAUTY AUSTRALIA

## Statement of financial position

as at 30 June 2025

	Notes	2025 \$	2024 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	5A	23,775	198,848
Trade and other receivables	5B	83,745	6,392
Financial assets	5C	1,950,547	2,000,547
Other current assets	5D	4,896	4,860
<b>Total current assets</b>		<b>2,062,963</b>	<b>2,210,647</b>
<b>Non-current assets</b>			
Property, plant and equipment	6A	2,137	4,057
<b>Total non-current assets</b>		<b>2,137</b>	<b>4,057</b>
<b>Total assets</b>		<b>2,065,100</b>	<b>2,214,704</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade payables	7A	133,282	4,477
Other payables	7B	25,674	139,770
Employee provisions	8A	13,396	14,595
Contract liabilities	7C	57,324	67,415
<b>Total current liabilities</b>		<b>229,676</b>	<b>226,257</b>
<b>Non-current liabilities</b>			
<b>Total non-current liabilities</b>		<b>-</b>	<b>-</b>
<b>Total liabilities</b>		<b>229,676</b>	<b>226,257</b>
<b>Net assets</b>		<b>1,835,424</b>	<b>1,988,447</b>
<b>EQUITY</b>			
General fund/retained earnings		1,835,424	1,988,447
Other funds	9A	-	-
Reserves		-	-
<b>Total equity</b>		<b>1,835,424</b>	<b>1,988,447</b>

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

## Statement of changes in equity

for the year ended 30 June 2025

	Notes	General funds / retained earnings \$	Other funds \$	Reserves \$	Total equity \$
<b>Balance as at 1 July 2023</b>		<b>2,163,621</b>	-	-	<b>2,163,621</b>
Surplus / (deficit)		(175,174)	-	-	(175,174)
<b>Closing balance as at 30 June 2024</b>		<b>1,988,447</b>	-	-	<b>1,988,447</b>
Surplus / (deficit)		(153,023)	-	-	(153,023)
<b>Closing balance as at 30 June 2025</b>		<b>1,835,424</b>	-	-	<b>1,835,424</b>

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 2025

	Notes	2025 \$	2024 \$
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Receipts from customers and others		<b>158,737</b>	190,392
Receipts from other reporting unit/controlled entity(s)	10B	-	-
Interest		<b>32,431</b>	113,285
<b>Cash used</b>			
Employees		<b>(220,402)</b>	(188,424)
Suppliers		<b>(195,839)</b>	(163,349)
Payment to other reporting units/controlled entity(s)	10B	-	-
<b>Net cash from (used by) operating activities</b>	10A	<b>(225,073)</b>	(48,096)
<b>INVESTING ACTIVITIES</b>			
<b>Cash received</b>			
Proceeds from sale of plant and equipment		-	-
<b>Cash used</b>			
Purchase of plant and equipment		-	(1,435)
Term Deposits		<b>50,000</b>	99,453
<b>Net cash from (used by) investing activities</b>		<b>50,000</b>	98,018
<b>FINANCING ACTIVITIES</b>			
<b>Net cash from (used by) financing activities</b>		-	-
<b>Net increase (decrease) in cash held</b>		<b>(175,073)</b>	49,922
Cash & cash equivalents at the beginning of the reporting period		<b>198,848</b>	148,926
<b>Cash &amp; cash equivalents at the end of the reporting period</b>	5A	<b>23,776</b>	198,848

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
Note 7	Current liabilities
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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 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.

Hair and Beauty Australia has not agreed to provide financial support to another reporting unit to ensure they can 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 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current, to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current.

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 18 (NFP/super) Presentation and Disclosure in Financial Statements (Appendix D) [for not-for-profit and superannuation entities]***

AASB 18 Presentation and Disclosure in Financial Statements has been issued to improve how entities communicate in their financial statements, with a particular focus on information about financial performance in the statement of profit or loss.

The key presentation and disclosure requirements established by AASB 18 are the presentation of newly defined subtotals in the statement of profit or loss, the disclosure of management-defined performance measures (MPM) and enhanced requirements for grouping information (i.e., aggregation and disaggregation).

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

#### ***AASB 2024-2 Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments***

This amends AASB 7 and AASB 9 Financial Instruments to:

- Clarify that a financial liability is derecognised on the 'settlement date', i.e., when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition.
- Introduce an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before the settlement date if certain conditions are met
- For the purpose of classifying a financial asset, clarify how to assess contractual cash flow characteristics that include environmental, social and governance (ESG)-linked features and other similar contingent features

- Clarify how non-recourse features and contractually linked instruments are assessed for the purpose of applying the SPPI test when determining the measurement basis of financial assets.
- Require additional disclosures in AASB 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income

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**

In accordance with AASB 101, 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 right at the end of the reporting period 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.

### **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.

### **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.

### 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)***

#### **vii. Debt instruments other than trade receivables**

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.

#### **viii. Trade receivables and contract assets**

For trade receivables that do not have a significant financing component, 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. 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.

### **Financial Liabilities**

#### ***Initial recognition, measurement and presentation***

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.

### **1.11 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.

### **1.12 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.

### **1.13 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<sup>2</sup> 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:

	<b>2025</b>	<b>2024</b>
Plant and equipment	<b>4 to 20 years</b>	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.

#### **1.14 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.

#### **1.15 Taxation**

Hair and Beauty Australia is a membership based organisation and as such relies on the principle of mutuality to exempt income from members from income tax. Where an organisation satisfies the principle of mutuality its net income from members is not subject to tax. The principle of mutuality is a common law principle arising from the premise that individuals cannot profit from themselves.

Where income is generated from transactions with non-members (including interest) the principle of mutuality allows Hair and Beauty Australia to claim a 'reasonable allocation' of expenses in calculating its taxable income. Expenses need to be separated into the following categories:

- Non-allowable: expenses relating to mutual income.
- Wholly allowable: expenses specifically relating to non-mutual income and certain statutory expenses such as superannuation and donations.
- Partly allowable: expenses that are not specifically related to either mutual or non-mutual income.

The partly allowable expenses must be apportioned between mutual and non-mutual income on some reasonable basis. Hair and Beauty Australia has used non-mutual income divided by total gross income as an allocation basis. Income tax is then measured at the relevant corporate tax rate.

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.

### **1.16 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.

A fair value measurement of a non-financial asset takes into account the current use of the non-financial asset which is consistent with the market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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.

2025	2024
\$	\$

### 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	127,898	149,517
Other reporting units	-	-
Government	-	-
Other parties	-	-
<b>Total revenue from contracts with customers</b>	<b>127,898</b>	<b>149,517</b>

#### 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	-	-
<b>Total capitation fees and other revenue from another reporting unit</b>	<b>-</b>	<b>-</b>

#### Note 3B: Levies

Total levies	-	-
--------------	---	---

#### Note 3C: Grants and/or donations

Grants	-	-
Donations	-	-
<b>Total grants and donations</b>	<b>-</b>	<b>-</b>

	2025	2024
	\$	\$

**Note 3D: Income recognised from volunteer services**

Amounts recognised from volunteer services	-	-
<b>Total income recognised from volunteer services</b>	<b>-</b>	<b>-</b>

**Note 3E: Revenue from recovery of wages activity**

Amounts recovered from employers in respect of wages		
Interest received on recovered money	-	-
<b>Total revenue from recovery of wages activity</b>	<b>-</b>	<b>-</b>

	2025	2024
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**Note 3F: Investment income**

Interest		
Financial Assets (Term Deposits)	99,444	67,735
<b>Total investment income</b>	<b>99,444</b>	<b>67,735</b>

**Note 3G: Other income**

Commission and Other Income	40,164	53,714
<b>Total other income</b>	<b>40,164</b>	<b>53,714</b>

	2025	2024
	\$	\$
<b>Note 4 Expenses</b>		
<b>Note 4A: Employee expenses</b>		
<b>Holders of office:</b>		
Wages and salaries	-	-
Superannuation	-	-
Leave and other entitlements	-	-
Separation and redundancies	-	-
Honorarium to board members	25,500	16,500
Other employee expenses	-	-
<b>Subtotal employee expenses holders of office</b>	<b>25,500</b>	<b>16,500</b>
<b>Employees other than office holders:</b>		
Wages and salaries	174,800	157,235
Superannuation	20,102	17,138
Leave and other entitlements	-	-
Separation and redundancies	-	-
Other employee expenses	-	-
<b>Subtotal employee expenses employees other than office holders</b>	<b>194,902</b>	<b>174,373</b>
<b>Total employee expenses</b>	<b>220,402</b>	<b>190,873</b>

**Note 4B: Capitation fees and other expense to another reporting unit**

<b>Capitation fees</b>	-	-
<b>Subtotal capitation fees</b>	<b>-</b>	<b>-</b>
<b>Other expense to another reporting unit</b>	-	-
<b>Subtotal other expense to another reporting unit</b>	<b>-</b>	<b>-</b>
<b>Total capitation fees and other expense to another reporting unit</b>	<b>-</b>	<b>-</b>

**Note 4C: Affiliation fees**

<b>Total affiliation fees/subscriptions</b>	-	-
---------------------------------------------	---	---

	2025	2024
	\$	\$
<b>Note 4D: Administration expenses</b>		
Total paid to employers for payroll deductions of membership subscriptions	-	-
Compulsory levies	-	-
Fees/allowances - meeting and conferences	-	-
Conference and meeting expenses	-	-
<b>Total administration expenses</b>	<u>-</u>	<u>-</u>

**Note 4E: 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	-	-
<b>Total grants or donations</b>	<u>-</u>	<u>-</u>

**Note 4F: Depreciation and amortisation**

Depreciation		
Buildings	-	-
Property, plant and equipment	<b>1,920</b>	<b>3,123</b>
<b>Total depreciation</b>	<u>-</u>	<u>-</u>
Amortisation		
Intangibles	-	-
<b>Total amortisation</b>	<u>-</u>	<u>-</u>
<b>Total depreciation and amortisation</b>	<u><b>1,920</b></u>	<u><b>3,123</b></u>

**Note 4G: Legal costs**

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

	2025	2024
	\$	\$
<b>Note 4H: Other expenses</b>		
Marketing	11,285	37,936
Bank Fees	369	1,491
Consultants Fees	132,916	166,250
Insurance	6,922	6,141
Telephone	7,617	7,792
Travelling Expenses	1,292	820
Administration Expenses	23,527	15,516
Other	3,679	10,998
Penalties – via RO Act or the <i>Fair Work Act 2009</i>	-	-
<b>Total other expenses</b>	<b>187,607</b>	<b>246,944</b>

#### Note 5 Current Assets

##### Note 5A: Cash and cash equivalents

Cash at bank	23,776	198,848
Cash on hand	-	-
Short term deposits	-	-
Other	-	-
<b>Total cash and cash equivalents</b>	<b>23,776</b>	<b>198,848</b>

##### Note 5B: Trade and other receivables

##### Receivables from other reporting unit(s)

<b>Total receivables from other reporting unit(s)</b>	-	-
-------------------------------------------------------	---	---

##### Less allowance for expected credit losses

<b>Total allowance for expected credit losses</b>	-	-
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<b>Receivable from other reporting unit(s) (net)</b>	-	-
------------------------------------------------------	---	---

##### Other receivables:

GST receivable	11,105	-
Interest receivable	67,013	
Income accruals	2,419	
Other	3,208	6,392
<b>Total other receivables</b>	<b>83,745</b>	<b>6,392</b>
<b>Total trade and other receivables (net)</b>	<b>83,745</b>	<b>6,392</b>

2025	2024
\$	\$

**Note 5C: Financial Assets**

Interest Bearing Investment	<u>1,950,547</u>	<u>2,000,547</u>
<b>Total financial assets</b>	<u><b>1,950,547</b></u>	<u><b>2,000,547</b></u>

**Note 5D: Other current assets**

Prepayments	<u>4,896</u>	<u>4,860</u>
<b>Total other current assets</b>	<u><b>4,896</b></u>	<u><b>4,860</b></u>

## Note 6 Non-current Assets

### Note 6A: Property, Plant and Equipment

2025

Property, Plant and Equipment:	Land	Buildings	Plant and Equipment	Total
	\$	\$	\$	\$
carrying amount	-	-	61,285	-
accumulated depreciation	-	-	(59,148)	-
<b>Total Property, Plant and Equipment</b>	-	-	<b>2,137</b>	-

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

Net book value 1 July 2024	-	-	4,057	4,057
Additions:				
By purchase	-	-	-	-
Revaluations	-	-	-	-
Impairments	-	-	-	-
Depreciation expense	-	-	(1,920)	-
Other movement	-	-	-	-
Disposals:				
[list method]	-	-	-	-
Other	-	-	-	-
<b>Net book value 30 June 2025</b>	-	-	<b>2,137</b>	-
Net book value as of 30 June 2025 represented by:				
Gross book value	-	-	61,285	-
Accumulated depreciation and impairment	-	-	(59,148)	-
<b>Net book value 30 June 2025</b>	-	-	<b>2,137</b>	-

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

**2024**

	Land	Buildings	Plant and Equipment	Total
	\$	\$	\$	\$
Property, Plant and Equipment:				
carrying value	-	-	61,285	-
accumulated depreciation	-	-	(57,228)	-
<b>Total Property, Plant and Equipment</b>	-	-	<b>4,057</b>	-

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

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

	2025	2024
	\$	\$

**Note 7 Current Liabilities**

**Note 7A: Trade payables**

Trade creditors and accruals	133,282	4,477
<b>Subtotal trade creditors</b>	<u>133,282</u>	<u>4,477</u>
<b>Payables to other reporting unit(s)</b>		
<b>Subtotal payables to other reporting unit(s)</b>	<u>-</u>	<u>-</u>
<b>Total trade payables</b>	<u><u>133,282</u></u>	<u><u>4,477</u></u>

**Note 7B: Other payables**

Superannuation	1,675	1,602
Payable to employers for making payroll deductions of membership subscriptions	-	-
Legal costs		
Litigation	-	-
Other legal costs	-	-
GST payable	-	3,457
Other	23,999	134,711
<b>Total other payables</b>	<u>25,674</u>	<u>139,770</u>

Total other payables are expected to be settled in:

No more than 12 months	25,674	139,770
More than 12 months	-	-
<b>Total other payables</b>	<u>25,674</u>	<u>139,770</u>

**Note 7C: Contract Liabilities**

Deferred Income	57,324	67,415
<b>Total contract liabilities</b>	<u>57,324</u>	<u>67,415</u>

	2025	2024
	\$	\$
<b>Note 8 Provisions</b>		
<b>Note 8A: Employee provisions</b>		
<b>Office holders:</b>		
Annual leave	-	-
Long service leave	-	-
Separations and redundancies	-	-
Other	-	-
<b>Subtotal employee provisions—office holders</b>	<b>-</b>	<b>-</b>
<b>Employees other than office holders:</b>		
Annual leave	<b>13,396</b>	14,595
Long service leave	-	-
Separations and redundancies	-	-
Other	-	-
<b>Subtotal employee provisions—employees other than office holders</b>	<b>13,396</b>	14,595
<b>Total employee provisions</b>	<b>13,396</b>	14,595
Current	<b>13,396</b>	14,595
Non-current	-	-
<b>Total employee provisions</b>	<b>13,396</b>	14,595

## Note 9 Other funds

### Note 9A: Other funds

#### Compulsory levy/voluntary contribution fund

<b>Balance as at start of year</b>	-	-
Transferred to fund, account or controlled entity	-	-
Transferred out of fund, account or controlled entity	-	-
<b>Balance as at end of year</b>	<b>-</b>	<b>-</b>
<b>Total compulsory levy/voluntary contribution fund</b>	<b>-</b>	<b>-</b>

#### Other fund(s) required by rules

<b>Balance as at start of year</b>	-	-
Transferred to reserve	-	-
Transferred out of reserve	-	-
<b>Balance as at end of year</b>	<b>-</b>	<b>-</b>

	2025	2024
	\$	\$
<b>Note 10</b>		
<b>Cash Flow</b>		
<b>Note 10A: Cash flow reconciliation</b>		
<b>Reconciliation of cash and cash equivalents as per statement of financial position to statement of cash flow:</b>		
<b>Cash and cash equivalents as per:</b>		
Statement of cash flow	23,776	198,848
Statement of financial position	23,776	198,848
<b>Difference</b>	-	-
<b>Reconciliation of Surplus/(deficit) to net cash from operating activities:</b>		
Surplus/(deficit) for the year	(153,023)	(175,174)
<b>Adjustments for non-cash items</b>		
Depreciation/amortisation	1,920	3,123
Accrued interest	(67,013)	45,550
<b>Changes in assets/liabilities</b>		
(Increase)/decrease in net receivables	766	(2,452)
(Increase)/decrease in prepayments	(36)	(640)
Increase/(decrease) in deferred income	(10,091)	(10,387)
Increase/(decrease) in other payables	114,003	(40,466)
Increase/(decrease) in employee provisions	(1,199)	8,415
Increase/(decrease) in accrued expenses	(110,400)	123,935
<b>Net cash from (used by) operating activities</b>	<b>(225,073)</b>	<b>(48,096)</b>
<b>Note 10B: Cash flow information</b>		
Cash inflows		
Other reporting unit/controlled entity	-	-
<b>Total cash inflows</b>	<b>-</b>	<b>-</b>
Cash outflows		
Other reporting unit/controlled entity	-	-
<b>Total cash outflows</b>	<b>-</b>	<b>-</b>

2025	2024
\$	\$

**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	25,500	16,500
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**Note 11B: Key management personnel remuneration for the reporting period**

**Short-term employee benefits**

Salary (including annual leave taken)	174,800	157,235
Annual leave accrued	13,396	14,595
Performance bonus	-	-

<b>Total short-term employee benefits</b>	<b>188,196</b>	<b>171,830</b>
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**Post-employment benefits:**

Superannuation	20,102	17,138
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<b>Total post-employment benefits</b>	<b>20,102</b>	<b>17,138</b>
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**Other long-term benefits:**

Long-service leave	-	-
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<b>Total other long-term benefits</b>	<b>-</b>	<b>-</b>
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**Termination benefits**

<b>Total</b>	<b>208,298</b>	<b>188,968</b>
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**Note 12      Remuneration of Auditors**

**Value of the services provided**

Financial statement audit services	10,600	5,200
Other services	-	-

<b>Total remuneration of auditors</b>	<b>10,600</b>	<b>5,200</b>
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2025	2024
\$	\$

**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	23,776	198,848
Interest bearing investments	1,950,547	2,000,547
Accounts receivable and other debtors	83,745	6,392
<b>Total</b>	<b>2,058,068</b>	<b>2,205,787</b>
<b>Carrying amount of financial assets</b>	<b>2,058,068</b>	<b>2,205,787</b>

**Financial liabilities**

At amortised cost:

Accounts payable and other payables	158,956	144,247
<b>Total</b>	<b>158,956</b>	<b>144,247</b>
<b>Carrying amount of financial liabilities</b>	<b>158,956</b>	<b>144,247</b>

**Note 13B: Net income and expense from financial assets**

**Financial assets at amortised cost**

Interest revenue	99,444	67,735
<b>Net income/(expense) from financial assets</b>	<b>99,444</b>	<b>67,735</b>

### 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					
	Days past due					Total
	Current	<30 days	30-60 days	61-90 days	>91 days	
	\$	\$	\$	\$	\$	\$
<b>30 June 2025</b>						
Expected credit loss rate	-%	-%	-%	-%	-%	
Estimate total gross carrying amount at default	13,524	-	-	67,013	3,208	83,745
Expected credit loss	-	-	-	-	-	-
<b>30 June 2024</b>						
Expected credit loss rate	-%	-%	-%	-%	-%	
Estimate total gross carrying amount at default	6,392	-	-	-	-	6,392
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 2025 and 2024 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:

	On Demand	< 1 year \$	1– 2 years \$	2– 5 years \$	>5 years \$	Total \$
<b>Financial liabilities</b>						
<b>30 June 2025</b>						
Payables	-	158,956	-	-	-	158,956
Borrowings	-	-	-	-	-	-
Lease liabilities	-	-	-	-	-	-
<b>Total</b>	-	<b>158,956</b>	-	-	-	<b>158,956</b>
Financial liabilities						
30 June 2024						
Payables	-	144,247	-	-	-	144,247
Borrowings	-	-	-	-	-	-
Lease liabilities	-	-	-	-	-	-
<b>Total</b>	-	<b>144,247</b>	-	-	-	<b>144,247</b>

### 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:

	Change in risk variable	2025		Change in risk variable	2024	
		Effect on			Effect on	
		Profit or loss	Equity		Profit or loss	Equity
	%	\$	\$		\$	\$
Interest rate risk	[+ 1%]	+19,743	+19,743	[+ 1%]	+21,994	+21,994
Interest rate risk	[- 1%]	-19,743	-19,743	[- 1%]	-21,994	-21,994

#### 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 2025 \$	Fair value 2025 \$	Carrying amount 2024 \$	Fair value 2024 \$
<b>Financial assets</b>				
Cash and cash equivalents	23,776	23,776	198,848	198,848
Interest bearing deposits	1,950,547	1,950,547	2,000,547	2,000,547
Accounts receivable and other debtors	83,745	83,745	6,392	6,392
<b>Total</b>	<b>2,058,068</b>	<b>2,058,068</b>	<b>2,205,787</b>	<b>2,205,787</b>
<b>Financial liabilities</b>				
Accounts payable and other payables	158,956	158,956	144,247	144,247
<b>Total</b>	<b>158,956</b>	<b>158,956</b>	<b>144,247</b>	<b>144,247</b>

#### 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 Elvio Caires, being the officeholders of the Hair and Beauty Australia, declare that the following activities did not occur during the reporting period ending 30 June 2025.

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

Signed by the officer:  .....

Name and title of officer: Maureen Harding - President

Dated: 14 Nov 2025 .....

Signed by the officer: .....  .....

Name and title of officer: Elvio Caires – Vice President

Dated: 14 Nov 2025 .....