



11 May 2021

Maureen Harding
President
Hair and Beauty Australia

Sent via email: info@askhaba.com.au
CC: vmodi@nexiasydney.com.au

Dear Maureen Harding,

**Hair and Beauty Australia
Financial Report for the year ended 30 June 2020 – (FR2020/227)**

I acknowledge receipt of the financial report for the year ended 30 June 2020 for Hair and Beauty Australia (**the reporting unit**). The documents were lodged with the Registered Organisations Commission (**the ROC**) on 10 December 2020.

I also acknowledge receipt of the subsection 255(2A) report and the designated officer's certificate on 3 March 2021. An amended designated officer's certificate was also lodged with the ROC on 19 March 2021.

The ROC requested on 19 March 2021, to be provided with a copy of the minutes of the reporting unit's 2020 general meeting of members held on 23 November 2020. I acknowledge receipt of draft minutes and the agenda of the 2020 general meeting of members in an email dated 28 April 2021.

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 s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009 (RO Act)* have been satisfied, all documents required under s.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 2021 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 ROC will confirm these concerns have been addressed prior to filing next year's report.

Timescale requirements

Reports must be signed and dated before being provided to members

Under subsection 265(1)(a) of the RO Act a reporting unit must provide free of charge to its members a full report. A full report consists of:

- (i) a copy of the report of the auditor in relation to the inspection and audit of the financial records of the reporting unit in relation to a financial year; and
- (ii) a copy of the general purpose financial report to which the report relates; and
- (iii) a copy of the operating report to which the report relates.

Subsection 253(2) states that the general purpose financial report must consist of:

- (a) financial statement containing
 - (i) a profit and loss statement, or other operating statement; and
 - (ii) a balance sheet; and
 - (iii) a statement of cash flows; and
 - (iv) any other statements required by the Australian Accounting Standards; and
- (b) notes to the financial statements containing:
 - (i) notes required by the Australian Accounting Standards; and
 - (ii) information required by the reporting guidelines (see section 255); and
- (c) any other reports or statements required by the reporting guidelines (see section 255) (including a committee of management statement, subsection 255(2A) report and officer's declaration statement).

The designated officer's certificate states that the full report was provided to members on 19 October 2020.

However, the subsection 255(2A) report was not signed until 22 November 2020 which is after the date the full report was purportedly provided to members. This report must be signed, dated, and audited before they are provided to members as they form part of a full report. It would therefore appear that this report has not been audited and members have not been provided with a copy of the full report.

Please note that subsections 265(1) and 265(5) are both civil penalty provisions.

Documents must be lodged with ROC within 14 days after general meeting

Section 268 of the RO Act requires a copy of the full report and the designated officer's certificate to be lodged with the ROC 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 23 November 2020. If this is correct the documents should have been lodged with the ROC by 7 December 2020.

As indicated above, the full report was lodged on 10 December 2020 and the designated officer's certificate was lodged on 3 March 2021.

It appears the reporting unit should have applied to the Commissioner 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.

Please also note that section 268 is a civil penalty provision and future failure to meet this timeline may result in an inquiry into the organisation and the Commissioner of the ROC may apply under s.310(1) of the RO Act to the Federal Court of Australia for a pecuniary penalty order to be imposed on your organisation and, potentially, an officer whose conduct led to the non-compliance.

General purpose financial report (GPFR)

AASB 15 & AASB 1058 - Transition method

With the introduction of the new Australian Accounting Standards AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income of Not-for-Profit Entities*, an entity has the option to transition to these new standards via either the full retrospective method or the modified retrospective method.

From the information disclosed within the GPFR, it is not clear which method the reporting unit has used to transition to AASB 15 and AASB 1058.

Reporting Requirements

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

The ROC recommends that reporting units use these model financial statements to assist in complying with the RO Act, the s.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 contact me on (03) 9603 0764 or via email at kylie.ngo@roc.gov.au.

Yours sincerely,



Kylie Ngo
Registered Organisations Commission

Hair and Beauty Australia

s.268 *Fair Work (Registered Organisations) Act 2009*

certificate by prescribed designated officer:

Certificate for the year ended June 2020

I Maureen Harding being the *National President* of Hair and Beauty Australia certify:

- that the documents lodged herewith are copies of the full report for Hair and Beauty Australia for the period ended referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on 19 October 2020 and
- that the full report was presented to a *general meeting of members* of the reporting unit on 23 November 2020 in accordance with s.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:

10/03/2021

Regulation 162 of the *Fair Work (Registered Organisations) Regulations 2009* defines a 'prescribed designated officer' of a reporting unit for the purposes of s.268(c) as:
(a) the secretary; or
(b) an officer of the organisation other than the secretary who is authorised by the organisation or by the rules of the organisation to sign the certificate mentioned in that paragraph.

Hair & Beauty Australia


ABN: 78 133 372 200

For the year ended 30 June 2019

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended 30 June 2019.

Categories of expenditures	2019	2018
	\$	\$
Remuneration and other employment-related costs and expenses – employees	169,455	294,526
Advertising	34,174	26,809
Operating costs	282,373	174,874
Donations to political parties	-	-
Legal costs	50,393	172,830

Director



Maureen Harding

Director



Brian Flohm

Dated this 25th day of September 2019

HAIR & BEAUTY AUSTRALIA

ABN: 78 133 372 200

**Financial Report For The Year Ended
30 June 2020**

HAIR & BEAUTY AUSTRALIA

ABN: 78 133 372 200

Financial Report For The Year Ended 30 June 2020

CONTENTS	Page
Expenditure Report	1
Directors' Report	2
Auditor's Independence Declaration	5
Statement of Profit or Loss and Other Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Notes to the Financial Statements	10
Committee of Management Statement	26
Independent Auditor's Report	27
Officer Declaration Statement	30

HAIR & BEAUTY AUSTRALIA
ABN: 78 133 372 200
DIRECTORS' REPORT

Your directors present this report on the entity for the financial year ended 30 June 2020.

Directors

The names of each person who has been a director during the year and to the date of this report are:

Maureen Harding	
Mario Nasso	
Brian Flohm	
Wendy Michetti	
Helen Golisano	
Wendy Campbell	
Elvio Caries	(Resigned 9/12/2019)
Ken MacRae	
Samantha Oraya	(Appointed 9/12/2019)
Peter Elchaar	(Appointed 9/12/2019)
Brett Coubrough	(Appointed 9/12/2019)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal Activities

The principal activity of the entity during the financial year was:

- 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 company has grown membership in All states and territories to become a truly national body.
- The company has successfully represented members in both industrial courts and tribunals and to government and shadow government.
- The Company has provided seminars and presented at educational seminars to inform members.
- The deficit for the year amounted to (\$108,334) (2019: (\$23,744))
- 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 company occurred during the financial year.

Right of Members to resign

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

Superannuation trustees

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.

HAIR & BEAUTY AUSTRALIA
ABN: 78 133 372 200
DIRECTORS' REPORT

Short-term and Long-term Objectives

The entity's short-term objectives are to:

- be the major industrial union for employers in the hairdressing, beauty and related industries.
- be recognised as a leader in offering mentoring and specialist support services for our members in the hairdressing, beauty and related industries.

The entity's long-term objectives are to:

- be sustainable and strive for continuous improvements so as to offer the best outcomes for our members.
- establish and maintain relationships with all state and federal government departments that impact on the activities of the entity and our members.

Strategies

To achieve its stated objectives, the entity has adopted the following strategies:

- the entity strives to attract and retain quality staff who are committed to working with members and this is evidenced by low staff turnover. The entity believes that attracting and retaining quality staff will assist with the success of the entity in both the short and long term.
- staff work in partnership with members and this is evidenced by ongoing support of the entity's projects and initiatives. The entity ensures members understand and are committed to the objectives of the entity through ongoing education in order for the projects to succeed.
- staff are committed to creating new and maintaining existing programs in support of the members, committed staff allow the entity the ability to engage in continuous improvement.
- the entity's staff strive to meet consistent standards of best practice and provide clear expectations of professional accountabilities and ensures staff are operating in the best interests of members.

Key Performance Measures

The entity measures its own performance through the use of both quantitative and qualitative benchmarks. The benchmarks are used by the directors to assess the financial sustainability of the company and whether the entity's short-term and long-term objectives are being achieved.

Information on Directors

Maureen Harding	—	President
Experience	—	49 years
Mario Nasso	—	Honorary Secretary
Experience	—	53 years
Brian Flohm	—	Treasurer
Experience	—	68 years
Graham Thatcher	—	
Experience	—	16 years
Wendy Campbell	—	
Experience	—	49 years
Peter Leslie	—	
Experience	—	51 years
Elvio Caries	—	
Experience	—	21 years
Ken MacRae	—	
Experience	—	51 years
Samantha Oraya	—	
Experience	—	25 years

HAIR & BEAUTY AUSTRALIA
ABN: 78 133 372 200
DIRECTORS' REPORT

Peter Elchaar
Experience — 40 years
Brett Coubrough
Experience — 41 years

Meetings of Directors

During the financial year, 9 meetings of directors were held. Attendances by each director were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Maureen Harding	9	9
Mario Nasso	9	9
Brian Flohm	9	9
Wendy Michetti	9	7
Helen Golisano	5	4
Wendy Campbell	9	9
Elvio Caries	5	5
Ken MacRae	9	8
Samantha Oraya	4	3
Peter Elchaar	4	3
Brett Coubrough	4	3

The company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$100 each towards meeting any outstanding obligations of the entity.

Number of Members

The number of members as at 30 June 2020 was 613 (2019:884).

Number of Employees

The number of employees as at 30 June 2020 which was measured on a full time equivalent basis was 3 (2019: 3).

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2020 has been received and can be found on page 4 of the financial report.

This directors' report is signed in accordance with a resolution of the Board of Directors.

Director



Maureen Harding

Director



Brian Flohm

Dated this 19th day of October 2020



Hair and Beauty Australia

ABN 78 133 372 200

Auditors Independence Declaration under Section 307C of the Corporations Act 2001 to the Board of Directors

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2020, there have been:

- i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Hill Rogers
Assurance Partners

Vishal Modi

Registered Auditor no. AA2019/20

Dated at Sydney this 19th day of October 2020

Assurance Partners

Hill Rogers Assurance Partners | ABN 56 435 338 966

Liability limited by a scheme approved under Professional Standards Legislation.



HAIR & BEAUTY AUSTRALIA

ABN: 78 133 372 200

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR
ENDED 30 JUNE 2020**

	Note	2020 \$	2019 \$
Revenue from contracts with customers			
Membership fees received	2	343,693	397,631
Commission received		41,297	41,213
Fee for services		-	47,800
Capitation fees and other revenue from another reporting unit		-	-
Total revenue		<u>384,990</u>	<u>486,644</u>
Other income			
Sundry income	2	25,914	32,059
Interest income		14,364	21,951
Grants and/or donations		-	-
Revenue from recovery of wages activity		-	-
Total other income		<u>40,278</u>	<u>54,010</u>
Total income		<u>425,268</u>	<u>540,654</u>
Expenses			
Depreciation and amortisation expense	3	(27,219)	(28,003)
Audit fees		(4,500)	(4,500)
Marketing expenses		(98,907)	(34,174)
Capitation fees and other expenses to another reporting unit		-	-
Bank fees		(2,968)	(6,134)
Employee benefits expense		-	-
- Office holders		(21,000)	(18,000)
- Employees		(112,796)	(169,455)
Computer expenses		(5,144)	(6,611)
Consultant fees		(175,000)	(134,931)
Insurance		(5,820)	(5,423)
Interest		-	(68)
Legal fees		-	(50,393)
Occupance expenses		(26,456)	(27,901)
Repair and maintenance		(22)	-
Telephone expenses		(11,121)	(10,931)
Training expenses		(4,050)	(2,859)
Travelling		(2,211)	(8,843)
Administration expenses		(19,950)	(29,440)
Sundry expenses		(16,438)	(26,732)
Current year deficit before income tax		<u>(108,334)</u>	<u>(23,744)</u>
Income tax expense		-	-
Net current year deficit		<u>(108,334)</u>	<u>(23,744)</u>
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Gain on revaluation of land & building	8	74,960	74,960
Total other comprehensive income for the year		<u>74,960</u>	<u>74,960</u>
Total comprehensive income for the year		<u>(33,374)</u>	<u>51,216</u>
Deficiency attributable to the entity		(108,334)	(23,744)
Total comprehensive income attributable to the entity		<u>(33,374)</u>	<u>51,216</u>

The accompanying notes form part of these financial statements.

HAIR & BEAUTY AUSTRALIA
ABN: 78 133 372 200
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	23,586	86,216
Accounts receivable and other debtors	5	22,984	23,475
Other current assets	6	10,345	11,625
Financial assets	7	806,666	852,188
TOTAL CURRENT ASSETS		<u>863,581</u>	<u>973,504</u>
NON-CURRENT ASSETS			
Property, plant and equipment	8	1,460,796	1,412,462
TOTAL NON-CURRENT ASSETS		<u>1,460,796</u>	<u>1,412,462</u>
TOTAL ASSETS		<u>2,324,377</u>	<u>2,385,966</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and other payables	9	78,013	51,517
Deferred income	10	130,563	184,449
Employee provisions	11	2,873	3,698
TOTAL CURRENT LIABILITIES		<u>211,449</u>	<u>239,664</u>
TOTAL LIABILITIES		<u>211,449</u>	<u>239,664</u>
NET ASSETS		<u>2,112,928</u>	<u>2,146,302</u>
EQUITY			
Retained surplus		(236,414)	(128,080)
Reserves		2,349,342	2,274,382
TOTAL EQUITY		<u>2,112,928</u>	<u>2,146,302</u>

The accompanying notes form part of these financial statements.

HAIR & BEAUTY AUSTRALIA
ABN: 78 133 372 200
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2020

	Note	Retained Surplus \$	General Reserve \$	Revaluation Reserve \$	Total \$
Balance at 1 July 2018		(104,336)	1,298,634	900,788	2,095,086
Comprehensive Income					
Deficiency for the year attributable to the entity		(23,744)	-	-	(23,744)
Other comprehensive income for the year					
Gains on revaluation of land and building	18	-	-	74,960	74,960
Total other comprehensive income		-	-	74,960	74,960
Total comprehensive income attributable to the entity		(23,744)	-	74,960	51,216
Balance at 30 June 2019		(128,080)	1,298,634	975,748	2,146,302
Balance at 1 July 2019		(128,080)	1,298,634	975,748	2,146,302
Comprehensive Income					
Deficiency for the year attributable to the entity		(108,334)	-	-	(108,334)
Other comprehensive income for the year					
Gains on revaluation of land and building	18	-	-	74,960	74,960
Total other comprehensive income		-	-	74,960	74,960
Total comprehensive income attributable to the entity		(108,334)	-	74,960	(33,374)
Balance at 30 June 2020		(236,414)	1,298,634	1,050,708	2,112,928

For a description of each reserve, refer to Note 18.

The accompanying notes form part of these financial statements.

HAIR & BEAUTY AUSTRALIA
ABN: 78 133 372 200
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Commonwealth, state and local government grants		-	-
Donation and grants		-	-
Receipts from membership fees and others		455,279	559,583
Payments to suppliers and employees		(577,108)	(608,592)
Interest received		15,523	21,951
Net cash generated from operating activities	14	<u>(106,306)</u>	<u>(27,058)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		(593)	-
Payment for financial assets at amortised cost		44,269	71,226
Net cash used in investing activities		<u>43,676</u>	<u>71,226</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash used in financing activities		<u>-</u>	<u>-</u>
Net increase in cash held		(62,630)	44,168
Cash on hand at beginning of the financial year		86,216	42,048
Cash on hand at end of the financial year	4	<u>23,586</u>	<u>86,216</u>

The accompanying notes form part of these financial statements.

HAIR & BEAUTY AUSTRALIA
ABN: 78 133 372 200
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Note 1 Summary of Significant Accounting Policies

The financial statements cover Hair & Beauty Australia as an individual entity, incorporated and domiciled in Australia. Hair and Beauty Australia is a company limited by guarantee.

The financial statements were authorised for issue on 19th October 2020 by the directors of the company.

Basis of Preparation

These general purpose financial statements have been prepared in accordance with the Corporations Act 2001, the Fair Work (Registered Organisations) Act 2009 and Regulations, and Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

Accounting Policies

(a) Revenue

The company enters into various arrangements where it receives consideration from another party. These arrangements include consideration in the form of membership subscriptions, capitation fees, levies, and grants. 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 the company has a contract with a customer, the company recognises revenue when or as it transfers control of goods or services to the customer. The company 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 the company.

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

Revenue from commissions is recognised on an accruals basis and taken up as revenue for the period to which the commission relates to.

Interest income

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

Rental income

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease.

Government grants

Government grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the company recognises as expenses the related costs for which the grants are intended to compensate.

All revenue is stated net of the amount of goods and services tax.

(b) Fair Value of Assets and Liabilities

The entity measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the company would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

HAIR & BEAUTY AUSTRALIA

ABN: 78 133 372 200

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

(c) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated, less, where applicable, accumulated depreciation and impairment losses.

Freehold Property

Freehold land and buildings are shown at their fair value based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation and subsequent impairment for buildings.

In periods when the freehold land and buildings are not subject to an independent valuation, the directors conduct directors' valuations to ensure the carrying amount for the land and buildings is not materially different to the fair value.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the revaluation surplus in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income under the heading of revaluation surplus. All other decreases are recognised in profit or

Any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Freehold land and buildings that have been contributed at no cost or for nominal cost are valued and recognised at the fair value of the asset at the date it is acquired.

Plant and Equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(e) for details of impairment).

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss in the financial period in which they are incurred.

Plant and equipment that have been contributed at no cost or for nominal cost are recognised at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the entity commencing from the time the asset is available for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Buildings	4%
Plant and equipment	10-50%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised as income in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

HAIR & BEAUTY AUSTRALIA
ABN: 78 133 372 200
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

(d) Financial Assets

Contract assets and receivables

A contract asset is recognised when the company's right to consideration in exchange goods or services that has transferred to the customer when that right is conditioned on the company'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).

Contract assets and receivables are subject to impairment assessment. Refer to accounting policies on impairment of financial assets below.

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Hair and Beauty Australia's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, Hair and Beauty Australia initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

- financial assets at amortised cost
- financial assets at fair value through profit or loss
- financial assets designated at fair value through profit or loss

Financial assets at amortised cost

Hair and Beauty Australia measures financial assets at amortised cost if 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

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

Hair and Beauty Australia's financial assets at amortised cost includes trade and other receivables.

Derecognition

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired or
- Hair and Beauty Australia has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
 - a) Hair and Beauty Australia has transferred substantially all the risks and rewards of the asset, or
 - b) Hair and Beauty Australia has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When Hair and Beauty Australia has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, Hair and Beauty Australia continues to recognise the transferred asset to the extent of its continuing involvement together with associated liability.

Impairment

Trade receivable

For trade receivables that do not have a significant financing component, Hair and Beauty Australia applies a simplified approach in calculating expected credit losses (ECLs) which requires lifetime expected credit losses to be recognised from initial recognition of the receivables. Therefore, 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.

HAIR & BEAUTY AUSTRALIA
ABN: 78 133 372 200
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Financial liabilities

Initial recognition and measurement

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

Hair and Beauty Australia's financial liabilities include trade and other payables.

Subsequent measurement

Financial liabilities at amortised cost

After initial recognition, trade and other payables 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.

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.

(e) Impairment of Assets

At the end of each reporting period, the entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in profit or loss.

Where the assets are not held primarily for their ability to generate net cash inflows – that is, they are specialised assets held for continuing use of their service capacity – the recoverable amounts are expected to be materially the same as fair value.

Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where an impairment loss on a revalued individual asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

(f) Employee Provisions

Short-term employee provisions

Provision is made for the entity's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries, sick leave and annual leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

(g) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

(h) Accounts receivable and other debtors

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from customers for goods sold. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(e) for further discussion on the determination of impairment losses.

(i) Goods and Services Tax (GST)

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

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

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from or payable to the ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

(j) Income Tax

No provision for income tax has been raised as the entity is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

HAIR & BEAUTY AUSTRALIA
ABN: 78 133 372 200
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

(k) Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(l) Comparative Figures

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

(m) Accounts Payable and Other Payables

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the entity during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(n) Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the entity.

Key Estimates

(i) Impairment

The freehold land and buildings were independently valued at 30 June 2020 by Noonan Property. The valuation was based on the fair value less costs of disposal. The critical assumptions adopted in determining the valuation included the location of the land and buildings, the current strong demand for land and buildings in the area and recent sales data for similar properties. The valuation resulted in a revaluation increment of \$74,960 being recognised for the year ended 30 June 2020.

At 30 June 2020, the directors reviewed the key assumptions made by the valuers at 30 June 2020. They have concluded that these assumptions remain materially unchanged, and are satisfied that carrying amount does not exceed the recoverable amount of land and buildings at 30 June 2020.

Key Judgements

(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 company 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.

(o) Economic Dependence

Hair & Beauty Australia is dependent on the membership fees for the majority of its revenue used to operate the business. At the date of this report, the Board of Directors has no reason to believe the members will not continue to support the Entity.

(p) New Australian Accounting Standards

Adoption of New Australian Accounting Standard

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

The following standards became effective for the first time this financial year:

AASB 15 Revenue from Contracts with Customers (AASB 15) and AASB 1058 Income of Not-for-Profit Entities (AASB 1058)

AASB 15 Revenue from Contracts with Customers supersedes AASB 111 Construction Contracts, AASB 118 Revenue and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with its customers.

AASB 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. AASB 15 also includes implementation guidance to assist not-for-profit entities to determine whether particular transactions, or components thereof, are contracts with customers. If a transaction is outside the scope of AASB 15, the recognition and measurement of income arising from the transaction may instead be specified by another Standard, for example AASB 1058 Income of Not-for-Profit Entities.

AASB 1058 replaces the income recognition requirements in AASB 1004 Contributions that had previously applied to the company. AASB 1058 provides a more comprehensive model for accounting for income of not-for-profit entities and specifies that:

- the timing of revenue or income recognition will depend on whether a performance obligation is identified or a liability is recognised;
- not-for-profit lessees can elect to recognise assets, including leases provided at significantly less than fair value, at their fair value; and
- all not-for-profit entities can elect to recognise volunteer services at fair value if the fair value of those services can be reliably measured.

The adoption of AASB 15 and AASB 1058 did not have a material impact on the company's financial statements.

HAIR & BEAUTY AUSTRALIA
ABN: 78 133 372 200
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Impact on adoption of AASB 16 Leases

AASB 16 Leases supersedes AASB 117 Leases, Interpretation 4 Determining whether an Arrangement contains a Lease, Interpretation 115 Operating Leases—Incentives and Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under AASB 16 is substantially unchanged from AASB 117. Lessors will continue to classify leases as either operating or finance leases using similar principles as in AASB 117. Therefore, AASB 16 does not have an impact for leases where the company is the lessor.

The company has adopted AASB 16 using the modified retrospective method of transition, with the date of initial application of 1 July 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application.

The company has no lease contracts for items of property, plant and equipment and hence adoption of AASB 16 did not have any impact on the company's financial statements.

New Accounting Standards for Application in Future Periods

Australian Accounting Standards and Interpretations that have recently been issued, or amended but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 30 June 2020.

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

This Standard amends 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 applies to annual reporting periods beginning on or after 1 January 2022.

The new amendment to the standards or interpretation is not expected to have a significant impact on the company.

Note 2 Revenue and Other Income

	2020	2019
	\$	\$
Revenue from contracts with customers		
Revenue received		
— Membership fees received	343,693	397,631
— Commission received	41,297	41,213
— Capitation fees and other revenue from another reporting unit	-	-
— Fee for services	-	47,800
	<u>384,990</u>	<u>486,644</u>
Income for furthering objectives		
Grants and donations		
— Grants	-	-
— Donations	-	-
	<u>-</u>	<u>-</u>
Total revenue	<u>384,990</u>	<u>486,644</u>
Other income		
— Levies	-	-
— Affiliation fees	-	-
— Capitation fees	-	-
— Rental income	2,400	2,400
— Other	4,865	29,659
— Government cash flow boost	12,649	-
— Government jobkeeper payment	6,000	-
— Interest received on investments in fixed interest securities	14,364	21,951
Total other income	<u>40,278</u>	<u>54,010</u>
Total revenue and other income	<u>425,268</u>	<u>540,654</u>

HAIR & BEAUTY AUSTRALIA
ABN: 78 133 372 200
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Note 3 Expenses

	2020	2019
	\$	\$
a. Administration expenses		
— Consideration to employers for payroll deductions of membership subscriptions	-	-
— Compulsory levies	-	-
— Fees/allowances - meeting and conferences	-	-
— Conference and meeting expenses	1,093	2,075
Total administration expenses	<u>1,093</u>	<u>2,075</u>
b. Employee expenses:		
Office holders		
— Salary and wages	-	-
— Superannuation	-	-
— Leave and other entitlements	-	-
— Separation and redundancies	-	-
— Other employee expenses	-	-
— Honorarium to board members	21,000	18,000
Subtotal employee expenses holders of office	<u>21,000</u>	<u>18,000</u>
Employees other than office holders		
— Salary and wages	95,639	148,402
— Superannuation	9,032	12,165
— Leave and other entitlements	8,126	8,888
— Separation and redundancies	-	-
— Other employee expenses	-	-
Subtotal employee expenses employees other than office holders	<u>112,797</u>	<u>169,455</u>
Total employee expenses	<u>133,797</u>	<u>187,455</u>
c. Depreciation and amortisation:		
— Land and buildings	24,960	24,960
— Furniture and equipment	2,259	3,043
Total depreciation and amortisation	<u>27,219</u>	<u>28,003</u>
d. Capitation fees and other expense to another reporting unit	-	-
Total capitation fees and other expenses to another reporting unit	-	-
e. Affiliation fees	-	-
Total affiliation fees/subscriptions	-	-
f. Grants or donations		
Grants:		
— Total expensed that were \$1,000 or less	-	-
— Total expensed that exceeds \$1,000	-	-
Donations:		
— Total expensed that were \$1,000 or less	-	-
— Total expensed that exceeds \$1,000	-	-
Total grants or donations	-	-
g. Audit fees:		
— Audit services	4,500	4,500
— Taxation services	-	-
Total audit remuneration	<u>4,500</u>	<u>4,500</u>
h. Legal fees		
— Litigation	-	-
— Litigation - other legal matters	-	50,393
Total legal fees	<u>-</u>	<u>50,393</u>
i. Other expenses		
Penalties - via RO Act or the Fair Work Act 2009	-	-
Total other expenses	<u>-</u>	<u>-</u>

HAIR & BEAUTY AUSTRALIA
ABN: 78 133 372 200
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Note 4 Cash and Cash Equivalents

CURRENT		
Cash at bank	23,554	86,184
Cash float	32	32
	23,586	86,216
	23,586	86,216

Note 5 Accounts Receivable and Other Debtors

CURRENT			Note
Receivable from other reporting unit	-	-	
Less allowance for expected credit losses	-	-	
Accounts receivable	6,422	18,356	
Other debtors	8,649	-	
Provision for impairment	-	-	5a
GST refundable	7,913	5,119	
Total current accounts receivable and other debtors	22,984	23,475	

The entity's normal credit term is 30 days.

The following table shows the movement in lifetime expected credit loss that has been recognised for trade and other receivables in accordance with the simplified approach set out in AASB 9: *Financial Instruments*.

(a) Lifetime Expected Credit Loss: Credit Impaired

	Opening balance	Provision for expected credit losses	Closing balance
	1 July 2018		30 June 2019
	\$	\$	\$
Accounts receivable	-	-	-
Other debtors	-	-	-
	-	-	-
	-	-	-

	Opening balance	Provision for expected credit losses	Closing balance
	1 July 2019		30 June 2020
	\$	\$	\$
Accounts receivable	-	-	-
Other debtors	-	-	-
	-	-	-
	-	-	-

(b) Credit risk

The entity has no significant concentration of credit risk with respect to any single counter party or group of counter parties other than those receivables specifically provided for and mentioned within Note 5. The class of assets described as Trade and Other Receivables is considered to be the main source of credit risk related to the entity.

The entity always measures the loss allowance for trade receivables at an amount equal to lifetime expected credit loss. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The entity writes off a trade receivable when there is available information that the debtor is in severe financial difficulty and there is no realistic likelihood of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier. None of the trade receivables that have been written off are subject to enforcement activities.

HAIR & BEAUTY AUSTRALIA
ABN: 78 133 372 200
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Note 6 Other Current Assets

	2020	2019
	\$	\$
Prepayments	10,345	11,625
	<u>10,345</u>	<u>11,625</u>

Note 7 Financial Assets

	2020	2019
	\$	\$
CURRENT		
At amortised cost	806,666	852,188
Total current assets	<u>806,666</u>	<u>852,188</u>
At amortised cost investments		
Interest bearing deposit - Westpac bank term deposit	15 806,666	852,188
	<u>806,666</u>	<u>852,188</u>

Note 8 Property, Plant and Equipment

	2020	2019
	\$	\$
LAND AND BUILDINGS		
Buildings at fair value:		
— Independent valuation in 2020	1,674,708	-
— Independent valuation in 2019	-	1,599,748
Less accumulated depreciation	(224,708)	(199,748)
Total buildings	<u>1,450,000</u>	<u>1,400,000</u>
Total land and buildings	<u>1,450,000</u>	<u>1,400,000</u>
PLANT AND EQUIPMENT		
Plant and equipment:		
At cost	56,882	56,289
Less accumulated depreciation	(46,086)	(43,827)
Less accumulated impairment losses	-	-
	<u>10,796</u>	<u>12,462</u>
Total plant and equipment	<u>10,796</u>	<u>12,462</u>
Total property, plant and equipment	<u>1,460,796</u>	<u>1,412,462</u>

Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Land and Buildings - Owned \$	Plant and Equipment \$	Total \$
2019			
Balance at the beginning of the year	1,350,000	15,505	1,365,505
Additions at cost	-	-	-
Disposals	-	-	-
Revaluations	74,960	-	74,960
Depreciation expense	(24,960)	(3,043)	(28,003)
Carrying amount at the end of the year	<u>1,400,000</u>	<u>12,462</u>	<u>1,412,462</u>
2020			
Balance at the beginning of the year	1,400,000	12,462	1,412,462
Additions at cost	-	593	593
Disposals	-	-	-
Revaluations	74,960	-	74,960
Depreciation expense	(24,960)	(2,259)	(27,219)
Carrying amount at the end of the year	<u>1,450,000</u>	<u>10,796</u>	<u>1,460,796</u>

HAIR & BEAUTY AUSTRALIA
ABN: 78 133 372 200
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Asset Revaluations

The freehold land and buildings were independently valued at 30 June 2020 by Noonan Property. The valuation resulted in a revaluation increment of \$74,960 being recognised in the revaluation surplus for the year ended 30 June 2020.

At 30 June 2020 the directors reviewed the key assumptions made by the valuers at 30 June 2020. They have concluded that these assumptions remain materially unchanged, and are satisfied that the carrying amount does not exceed the recoverable amount of land and buildings at 30 June 2020.

Refer to Note Note 16 for detailed disclosures regarding the fair value measurement of the company's freehold land and buildings.

Note 9 Accounts Payable and Other Payables

	Note	2020 \$	2019 \$
CURRENT			
Payable to reporting unit		-	-
Accounts payable		70,822	42,436
Other current payables		7,191	9,081
Payable to employers for making payroll deductions of membership subscriptions		-	-
Legal costs payables		-	-
— Litigation		-	-
— Other legal matters		-	-
	9a	<u>78,013</u>	<u>51,517</u>
a Financial liabilities at amortised cost classified as accounts payable and other payables			
Accounts payable and other payables:			
— Total current		78,013	51,517
— Total non-current		-	-
Financial liabilities as accounts and other payables	15	<u>78,013</u>	<u>51,517</u>

The average credit period on accounts payable and other payables (excluding GST payable) is 1 months. No interest is payable on outstanding payables

Note 10 Deferred income

	2020 \$	2019 \$
CURRENT		
Membership fees received in advance	130,563	184,449
	<u>130,563</u>	<u>184,449</u>

Note 11 Employee Provisions

	2020 \$	2019 \$
CURRENT		
Office holders		
- Annual leave	-	-
- Long service leave	-	-
- Separations and redundancies	-	-
- Other	-	-
Subtotal employee provisions - office holders	<u>-</u>	<u>-</u>
Employees other than office holders		
- Annual leave	2,873	3,698
- Long service leave	-	-
- Separations and redundancies	-	-
- Other	-	-
Subtotal employee provisions - employees other than office holders	<u>2,873</u>	<u>3,698</u>
Total employee provisions		
Current	2,873	3,698
Non-current	-	-
Total employee provisions	<u>2,873</u>	<u>3,698</u>

HAIR & BEAUTY AUSTRALIA
ABN: 78 133 372 200
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Analysis of total provisions:	Employee Benefits	Total
Opening balance at 1 July 2019	3,698	3,752
Additional provisions raised during the year	7,301	8,834
Amounts used	(8,126)	(8,888)
Balance at 30 June 2020	<u>2,873</u>	<u>3,698</u>

Provision for employee benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the entity does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the entity does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

Note 12 Events After the Reporting Period

As a result of the evolving nature of the COVID-19 outbreak and the rapidly evolving government policies of restrictive measures put in place to contain it, as at the date of these financial statements, the company is not in a position to reasonably estimate the financial effects of the COVID-19 outbreak on the future financial performance and financial position of the company. Other than the current disclosures, there has not been any other matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the company, the results of those operations, or the state of affairs of the company in subsequent financial periods.

Note 13 Related Party Transactions

a. Key Management Personnel

The totals of remuneration paid to KMP of the entity during the year are as follows:

	2020	2019
	\$	\$
KMP compensation:		
— Short-term employee benefits	-	-
— Post-employment benefits	-	-
— Other long-term benefits	-	-
	<u>-</u>	<u>-</u>

b. Related Party Transactions

A honorarium of \$21,000 (2019: \$18,000) was paid to the board members during the year. There were no other related party transactions.

Note 14 Cash Flow Information

	2020	2019
	\$	\$
a. Reconciliation of Cash Flows from Operating Activities with Net Current Year Surplus		
Net current year losses	(108,334)	(23,744)
Adjustment for:		
Depreciation and amortisation expense	27,219	28,003
Accrued interest income	1,253	12,117
Decrease in accounts receivable and other debtors	3,285	(15,607)
Increase/(decrease) in accounts payable and other payables	23,702	(5,054)
(Decrease) in other deferred income	(53,886)	(27,888)
(Decrease) in employee provisions	(825)	(54)
Decrease in prepayments	1,280	5,169
	<u>(106,306)</u>	<u>(27,058)</u>
b. Cash flow information		
Cash inflows from reporting unit/controlled entity	-	-
Total cash inflows	<u>-</u>	<u>-</u>
Cash outflows from reporting unit/controlled entity	-	-
Total cash outflows	<u>-</u>	<u>-</u>

HAIR & BEAUTY AUSTRALIA
ABN: 78 133 372 200
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Note 15 Financial Risk Management

The entity's financial instruments consist mainly of deposits with banks, local money market instruments, short-term and long-term investments, accounts receivable and payable.

The carrying amount for each category of financial instruments, measured in accordance with AASB 9: *Financial Instruments* as detailed in the accounting policies to these financial statements, are as follows:

	Note	2020 \$	2019 \$
Financial assets			
Financial assets at amortised cost:			
— Cash and cash equivalents	4	23,586	86,216
— Accounts receivable and other debtors	5	22,984	23,475
— Fixed interest securities	7	806,666	852,188
Total financial assets		853,236	961,879
Financial liabilities			
Financial liabilities at amortised cost:			
— Accounts payable and other payables	9a	78,013	51,517
Total financial liabilities		78,013	51,517

Financial Risk Management Policies

The finance committee is responsible for monitoring and managing the entity's compliance with its risk management strategy and consists of senior board members. The finance committee's overall risk management strategy is to assist the entity in meeting its financial targets while minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the finance committee on a regular basis. These include credit risk policies and future cash flow requirements.

Specific Financial Risk Exposures and Management

The main risks the entity is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk and other price risk.

There have been no substantive changes in the types of risks the entity is exposed to, how these risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

(a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the company.

Credit risk exposures

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

Accounts receivable and other debtors that are neither past due nor impaired are considered to be of high credit quality. Aggregates of such amounts are detailed at Note 5.

The entity has no significant concentrations of credit risk exposure to any single counterparty or group of counterparties. Details with respect to credit risk of accounts receivable and other debtors are provided in Note 5.

Credit risk related to balances with banks and other financial institutions is managed by the finance committee in accordance with approved Board policy. Such policy requires that surplus funds are only invested with counterparties with a Standard and Poor's rating of at least AA-. The following table provides information regarding the credit risk relating to cash and money market securities based on Standard and Poor's counterparty credit ratings.

	Note	2020 \$	2019 \$
Cash and cash equivalents			
— AA rated	4	23,586	86,216
		23,586	86,216
Investments:			
Investments in fixed interest securities	7	806,666	852,188
		806,666	852,188

(b) Liquidity risk

Liquidity risk arises from the possibility that the company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The company 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;

HAIR & BEAUTY AUSTRALIA
ABN: 78 133 372 200
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

— Only investing surplus cash with major financial institutions; and
— Comparing the maturity profile of financial liabilities with the realisation profile of financial assets.
The entity's policy is to ensure no more than 30% of borrowings should mature in any 12-month period.

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

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

Financial liability and financial asset maturity analysis

	Within 1 Year		1 to 5 years		Over 5 years		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
Financial liabilities due for payment	\$	\$	\$	\$	\$	\$	\$	\$
Accounts payable and other payables (excluding estimated annual leave and deferred income)	78,013	51,517	-	-	-	-	78,013	51,517
Total expected outflows	78,013	51,517	-	-	-	-	78,013	51,517
Financial Assets - cash flows realisable								
Cash and cash equivalents	23,586	86,216	-	-	-	-	23,586	86,216
Investments in fixed interest securities	806,666	852,188	-	-	-	-	806,666	852,188
Accounts receivable and other debtors	22,984	23,475	-	-	-	-	22,984	23,475
Total anticipated inflows	853,236	961,879	-	-	-	-	853,236	961,879
Net (outflow) / inflow on financial instruments	775,223	910,362	-	-	-	-	775,223	910,362

(c) Market Risk

i. Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The company is also exposed to earnings volatility on floating rate instruments.

The financial instruments that expose the company to interest rate risk are limited to lease liabilities, listed shares, government and fixed interest securities, and cash on hand.

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

Sensitivity analysis

The following table illustrates sensitivities to the company's exposures to changes in interest rates and equity prices. The table indicates the impact of how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

These sensitivities assume that the movement in a particular variable is independent of other variables.

	Surplus	Equity
	\$	\$
Year ended 30 June 2020		
+/-1% in interest rates	+/-8302	+/-8302
	Surplus	Equity
	\$	\$
Year ended 30 June 2019		
+/- 1% in interest rates	+/-9384	+/-9384

HAIR & BEAUTY AUSTRALIA
ABN: 78 133 372 200
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

No sensitivity analysis has been performed on foreign exchange risk as the company has no material exposures to currency risk. There have been no changes in any of the assumptions used to prepare the above sensitivity analysis from the prior year.

Fair Values

Fair value estimation

Cash on hand, accounts receivable and other debtors, and accounts payable and other payables are short-term instruments in nature whose carrying amount is equivalent to fair value. Accounts payable and other payables exclude amounts provided for annual leave, which is outside the scope of AASB 9.

Note 16 Fair Value Measurements

The entity measures and recognises the following assets at fair value on a recurring basis after initial recognition.

- Freehold land and buildings.

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.

a. Fair Value Hierarchy

AASB 13: *Fair Value Measurement* requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1	Level 2	Level 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

The entity selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the entity are consistent with one or more of the following valuation approaches:

- *Market approach* uses prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- *Income approach* converts estimated future cash flows or income and expenses into a single discounted present value.
- *Cost approach* reflects the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the entity gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

The following tables provide the fair values of the entity's assets measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy:

	Note	2020 \$	2019 \$
Recurring fair value measurements			
<i>Non-financial assets</i>			
Freehold land			
Land & Building (Level 2)	8	1,450,000	1,400,000
Total non-financial assets recognised at fair value on a recurring basis		<u>1,450,000</u>	<u>1,400,000</u>

- (i) For freehold land and buildings, the fair values are based on a directors' valuation taking into account an external independent valuation performed in the current year, which used comparable market data for similar properties.

HAIR & BEAUTY AUSTRALIA
ABN: 78 133 372 200
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

b. Valuation techniques and inputs used to measure Level 2 fair values

Description	Fair value (\$)		Valuation technique(s)	Inputs used
	Fair value (\$) at 30 June 2020	at 30 June 2019		
<i>Non-financial assets</i>				
Buildings			Market approach using recent observable market data for similar properties; income approach using discounted cash flow methodology	Price per square meter; market borrowing rate
	1,450,000	1,400,000		
	<u>1,450,000</u>	<u>1,400,000</u>		

- (i) The fair value of freehold land and buildings is determined at least every year based on valuations by an independent valuer. At the end of each intervening period, the directors review the independent valuation and, when appropriate, update the fair value measurement to reflect current market conditions using a range of valuation techniques, including recent observable market data and discounted cash flow methodologies.

There were no changes during the period in the valuation techniques used by the entity to determine Level 2 fair values.

Note 17 Capital Management

Management controls the capital of the entity to ensure that adequate cash flows are generated to fund its mentoring programs and that returns from investments are maximised within tolerable risk parameters. The finance committee ensures that the overall risk management strategy is in line with this objective.

The finance committee operates under policies approved by the board of directors. Risk management policies are approved and reviewed by the board on a regular basis. These include credit risk policies and future cash flow requirements.

The entity's capital consists of financial liabilities, supported by financial assets.

Management effectively manages the entity's capital by assessing the entity's financial risks and responding to changes in these risks and in the market. These responses may include the consideration of debt levels.

There have been no changes to the strategy adopted by management to control the capital of the entity since the previous year. The strategy of the entity is to maintain a gearing ratio below 10%.

The gearing ratios for the years ended 30 June 2020 and 30 June 2019 are as follows:

	Note	2020 \$	2019 \$
Total borrowings		-	-
Less cash on hand	4	(23,586)	(86,216)
Net debt		<u>(23,586)</u>	<u>(86,216)</u>
Total equity (retained surplus and reserves)		2,112,928	2,146,302
Total capital		<u><u>2,089,342</u></u>	<u><u>2,060,086</u></u>
Gearing ratio		N/A	N/A

Note 18 Reserves

a. Revaluation Reserves

The revaluation reserve records revaluations of non-current assets

1,050,708 975,748

b. Other specific disclosures - funds

Compulsory levy/voluntary contribution fund
- if invested in assets

- -
- -

Other fund(s) required by rules

Balance as at start of year

-

Balance as at end of year

-

-

HAIR & BEAUTY AUSTRALIA
ABN: 78 133 372 200
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Note 19 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 Commissioner:

- (1) A member of a reporting unit, or the Commissioner, 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).

Note 20 Entity Details

The registered office of the entity is:

HAIR & BEAUTY AUSTRALIA
LEVEL 3, SUITE 304
5 HUNTER STREET
SYDNEY NSW 2000

The principal place of business is:

HAIR & BEAUTY AUSTRALIA
LEVEL 3, SUITE 304
5 HUNTER STREET
SYDNEY NSW 2000

Note 21 Members' Guarantee

The entity is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$100 towards meeting any outstanding obligations of the entity. At 30 June 2020 the number of members was 613.

HAIR & BEAUTY AUSTRALIA
ABN: 78 133 372 200
COMMITTEE OF MANAGEMENT STATEMENT

In accordance with a resolution of the Directors of Hair & Beauty Australia, the directors declare that:

On 19th October 2020 the committee of Management of Hair and Beauty Australia passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 30 June 2020:

The committee of Management declares that in its opinion:

- (a) the financial statements and notes as set out on page 6 to 25, are in accordance with the Corporations Act 2001;
- (b) the financial statements and notes comply with the Australian Accounting Standards;
- (c) 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);
- (d) 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;
- (e) 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
- (f) 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 Commissioner duly made under section 272 of the RO Act has been provided to the member or Commissioner; and
 - (vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

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

Director Maureen Harding
Director Brian Flohm

Dated this 19th day of October 2020



Independent Audit Report to the Members of Hair and Beauty Australia

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 2020, 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 2020, 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* (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.

Assurance Partners



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.

Hill Rogers
Assurance Partners



Vishal Modi

Registered Auditor no. AA2019/20

Dated this 19th day of October 2020

Hair & Beauty Australia

ABN: 78 133 372 200

For the year ended 30 June 2020

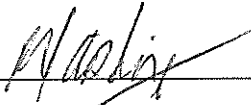
OFFICER DECLARATION STATEMENT

We, Maureen Harding and Brian Flohm, being the office holders of the Hair & Beauty Australia, declare that the following activities did not occur during the reporting period ending 30 June 2020.

The reporting unit did not:

- agree to receive financial support from another reporting unit to continue as a going concern
- 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
- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- 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 this 19th day of October 2020