

Skin Health Institute Inc.

ABN: 58 895 584 259

Financial Statements

For the Year Ended 30 June 2025

Skin Health Institute Inc.

ABN: 58 895 584 259

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Skin Health Institute Inc.

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Statement of Profit or Loss

For the Year Ended 30 June 2025

	Note	2025 \$	2024 \$
Operating Activities			
Revenue	3	10,666,437	9,851,450
Employee benefits expense		(7,539,826)	(7,183,388)
Occupancy expenses		(533,371)	(496,995)
Medical supplies		(487,635)	(427,024)
Consultants and professional fees		(358,218)	(478,249)
Office expenses		(188,915)	(187,146)
Event co-ordination and facilitation costs		(178,082)	(266,794)
Depreciation expense		(148,326)	(157,113)
Impairment of receivables		(70,916)	(11,727)
Other expenses		(577,538)	(415,102)
Surplus/(deficit) from operating activities		583,610	227,912
Investing and financing activities			
Capital gain/(loss) on financial assets		76,574	28,739
Interest and dividend income		17,352	52,026
Interest expense		(128,023)	(167,031)
Surplus/(deficit) from investing and financing activities		(34,097)	(86,266)
Surplus/(deficit) for the year		549,513	141,646

The accompanying notes form part of these financial statements.

Skin Health Institute Inc.

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Statement of Other Comprehensive Income

For the Year Ended 30 June 2025

	2025	2024
Note	\$	\$
Surplus/(deficit) for the year	549,513	141,646
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Revaluation changes for property, plant and equipment	576,958	-
Other comprehensive income for the year	576,958	-
Total comprehensive income for the year	1,126,471	141,646

The accompanying notes form part of these financial statements.

Skin Health Institute Inc.

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Statement of Financial Position

As at 30 June 2025

	Note	2025 \$	2024 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	86,956	77,511
Trade and other receivables	5	1,058,264	993,375
Financial assets	6	1,031,268	971,395
Other assets	7	210,633	237,072
TOTAL CURRENT ASSETS		2,387,121	2,279,353
NON-CURRENT ASSETS			
Property, plant and equipment	9	12,962,007	12,285,463
Intangible assets	8	129,876	162,234
TOTAL NON-CURRENT ASSETS		13,091,883	12,447,697
TOTAL ASSETS		15,479,004	14,727,050
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	801,164	915,472
Borrowings	11	2,000,000	-
Employee benefits	12	837,896	703,085
Other liabilities	13	712,439	702,986
TOTAL CURRENT LIABILITIES		4,351,499	2,321,543
NON-CURRENT LIABILITIES			
Borrowings	11	-	2,400,000
Employee benefits	12	10,372	14,845
TOTAL NON-CURRENT LIABILITIES		10,372	2,414,845
TOTAL LIABILITIES		4,361,871	4,736,388
NET ASSETS		11,117,133	9,990,662
EQUITY			
Reserves	14	5,598,880	5,972,489
Retained earnings		5,518,253	4,018,173
TOTAL EQUITY		11,117,133	9,990,662

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity

For the Year Ended 30 June 2025

2025

	Retained Earnings	Asset Revaluation Reserve	Special Purpose Funds	Total
	\$	\$	\$	\$
Balance at 1 July 2024	4,018,173	5,021,922	950,567	9,990,662
Surplus/(deficit) for the year	549,513	-	-	549,513
Revaluation increment/(decrement)	-	576,958	-	576,958
Transfers between retained earnings and reserves	950,567	-	(950,567)	-
Balance at 30 June 2025	5,518,253	5,598,880	-	11,117,133

2024

	Retained Earnings	Asset Revaluation Reserve	Special Purpose Funds	Total
	\$	\$	\$	\$
Balance at 1 July 2023	3,876,527	5,021,922	950,567	9,849,016
Surplus/(deficit) for the year	141,646	-	-	141,646
Balance at 30 June 2024	4,018,173	5,021,922	950,567	9,990,662

The accompanying notes form part of these financial statements.

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Statement of Cash Flows

For the Year Ended 30 June 2025

	Note	2025 \$	2024 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers, donors and grants		12,053,995	11,174,313
Payments to suppliers and employees		(11,348,038)	(10,772,928)
Net cash provided by/(used in) operating activities	19	705,957	401,385
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds on sale of investments in listed securities and managed funds		16,701	5,920
Payment for property, plant and equipment		(207,054)	(56,573)
Payment for intangible assets		(8,500)	-
Interest, dividends and franking credits received		30,364	51,025
Net cash provided by/(used in) investing activities		(168,489)	372
CASH FLOWS FROM FINANCING ACTIVITIES:			
Borrowings procured/(repaid)		(400,000)	(585,414)
Interest paid		(128,023)	(167,031)
Net cash provided by/(used in) financing activities		(528,023)	(752,445)
Net increase/(decrease) in cash and cash equivalents held		9,445	(350,688)
Cash and cash equivalents at the beginning of the year		77,511	428,199
Cash and cash equivalents at the end of the financial year	4	86,956	77,511

The accompanying notes form part of these financial statements.

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Notes to the Financial Statements

For the Year Ended 30 June 2025

Entity information

The financial report covers Skin Health Institute Inc. as an individual entity. Skin Health Institute Inc. is an incorporated Association, established under the *Associations Incorporation Reform Act (Vic) 2012*, and is registered and domiciled in the State of Victoria. The Association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Skin Health Institute acts as a centre of excellence for skin health and dermatology, with an aim to improve skin health awareness and outcomes for all Australians. The principal activities of the Association for the year ended 30 June 2025 were:

- Provision of innovative treatment and patient-centred care across a network of subspecialty clinics;
- Provision of education to Victorian dermatology registrars, specialists and GPs; and
- Research activities to help shape treatment and practice.

1 Summary of Material Accounting Policies

(a) Basis of preparation

In the opinion of the board members, the Association is not a reporting entity since there are unlikely to exist users of the financial statements who are not able to command the preparation of reports tailored so as to satisfy specifically all of their information needs. These special purpose financial statements have been prepared to meet the reporting requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

The financial statements have been prepared on an accruals 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 following significant accounting policies, which are consistent with the previous period unless stated otherwise, have been adopted in the preparation of these financial statements. The functional and presentation currency of Skin Health Institute Inc. is Australian dollars.

Statement of Compliance

The financial statements have been prepared in accordance with the recognition and measurement requirements of applicable Australian Accounting Standards, except as specifically described below, and the disclosure requirements of AASB 101 *Presentation of Financial Statements*, AASB 107 *Statement of Cash Flows*, AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* and AASB 1054 *Australian Additional Disclosures*. The Association has also elected to early-adopt the requirements of AASB 2022-6 *Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants*.

Recognition and measurement requirements of Australian Accounting Standards have not been applied in relation to employee benefits. Specifically, employee benefits that are expected to be settled more than one year after the end of the financial year have been recognised at the value of estimated future cash outflows to settle these obligations, but only for employees that are presently entitled to receive benefits, or for long service leave liabilities, employees that have reached at least five years of service. As such, this treatment does not fully comply with AASB 119 *Employees Benefits*.

The Association has concluded that the requirements set out in AASB 10 *Consolidated Financial Statements* and AASB 128 *Investments in Associates and Joint Ventures* are not applicable as the assessment on its interests in other entities indicated that it does not have any subsidiaries, associates or joint ventures.

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Notes to the Financial Statements

For the Year Ended 30 June 2025

1 Summary of Material Accounting Policies

(b) Revenue

Revenue from contracts with customers

The Association earns revenue from contracts with customers principally from the following:

- Clinical consultation fees for the provision of skin health-related services to patients.
- Dermatological testing services;
- Administration of clinical trials and collection of trial data for medical research organisations and pharmaceutical companies;
- Sponsorships and grants to fund professional educational and clinical research; and
- Subscriptions to clinical databases administered by the Association.

Clinical consultation fees are recognised as revenue at the point-in-time the consultation is provided to the patient. Revenue is recognised net of any amounts that are required to be shared with partner doctors providing services through private clinics.

Dermatological testing services are provided through the operation of Contact Allergen Bank Australia. Under this service, the Association prepares testing kits and resources which are offered to dermatologists. Revenue is recognised at the point-in-time the kits and resources are sent to the customer.

Clinical trials are coordinated by the Association. Revenue is recognised over time as the Association satisfied its obligations under its contracts with its clinical trial partners. These obligations principally consist of the collection and distribution of trial data.

Sponsorship income is recognised as revenue either over time, or at a point-in-time, as performance obligations under contracts with customers are satisfied.

Clinical database subscriptions are recognised as revenue over time to cover the subscription period (generally annual) for which each subscriber is entitled access to the applicable database.

Contract assets and liabilities

Consideration paid by the customer in advance of the satisfaction of performance obligations is recognised as a contract liability.

Costs incurred in fulfilling a contract in progress (where performance obligations are not yet satisfied) are recognised as a contract cost asset where the costs relate directly to the satisfaction of contract performance obligations and are expected to be recovered.

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Notes to the Financial Statements

For the Year Ended 30 June 2025

1 Summary of Material Accounting Policies

(b) Revenue

Grants, donations and bequests

When the Association receives grants, donations and bequests, it assesses whether a contract exists and whether that contract is enforceable and has sufficiently specific performance obligations in accordance with AASB 15.

When these conditions are satisfied, the Association:

- identifies each performance obligation relating to the grant, donation or bequest;
- recognises a contract liability for its obligations under the contract; and
- recognises revenue as it satisfied its performance obligations.

When the contract is not enforceable or does not have sufficiently specific performance obligations, the grant, donation or bequest is recognised immediately in profit or loss.

Rental income

Rental income from operating leases are recognised on a straight-line basis over the period of the lease term so as to reflect a constant periodic rate of return.

(c) Income Tax

The Association is a charity registered with the Australian Charities and Not-for-profits Commission, and accordingly is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

The Association is a charity registered with the Australian Charities and Not-for-profits Commission, and accordingly is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(d) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payable are stated inclusive of GST.

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

(e) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

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Notes to the Financial Statements

For the Year Ended 30 June 2025

1 Summary of Material Accounting Policies

(f) Property, Plant and Equipment

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

Land and buildings

Land and buildings are shown at their fair value based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings. In periods when land and buildings are not subject to independent valuation, the board members review the valuation to ensure the carrying amount for the land and buildings is not materially different to its estimated fair value.

Increases in the carrying amount arising on revaluation of property, plant and equipment recognised at fair value are recognised in other comprehensive income and accumulated in the asset revaluation reserve in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income. All other decreases are recognised in profit or loss.

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.

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 in profit or loss.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Association, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Asset class	Depreciation rate
Buildings	2.5%
Plant and Equipment	5% - 50%
Furniture, fixtures and fittings	5% - 10%
Surgical Equipment	10%
Computers equipment	25% - 50%
Computer software	25% - 50%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

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Notes to the Financial Statements

For the Year Ended 30 June 2025

1 Summary of Material Accounting Policies

(g) Financial instruments

Financial instruments are recognised initially on the date that the Association becomes party to the contractual provisions of the instrument. On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Association classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss

Financial assets are not reclassified subsequent to their initial recognition unless the Association changes its business model for managing financial assets.

Financial assets at amortised cost

The Association's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Financial assets at fair value through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss (FVTPL).

Net gains or losses, including any interest or dividend income are recognised in profit or loss.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost

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For the Year Ended 30 June 2025

1 Summary of Material Accounting Policies

(g) Financial instruments

Financial assets

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Association has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Association renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced a significant increase in credit risk, the lifetime losses are estimated and recognised.

Financial liabilities

The Association measures all financial liabilities initially at fair value less transaction costs. Subsequently, financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Association comprise trade payables, bank and other loans and lease liabilities.

(h) Impairment of non-financial assets

At the end of each reporting period the Association determines whether there is evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated. Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit. Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

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Notes to the Financial Statements

For the Year Ended 30 June 2025

1 Summary of Material Accounting Policies

(i) Employee benefits

Provision is made for the Association's liability for employee benefits, those benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the value of the estimated future cash outflows to be made for those benefits. This value is limited to employees that have met the conditions for the entitlement to receive benefits, or in the case of long service leave entitlements, employees that have reached five years of service or more.

Obligations for contributions to defined contribution superannuation plans are recognised as an employee benefit expense in profit or loss in the periods in which services are provided by employees.

(j) Going concern

The financial statements have been prepared on a going concern basis, which assumes the continuity of normal business activities and the realisation of assets in the ordinary course of business.

The current liabilities of the Association exceed current assets by \$1,964,378 as at 30 June 2025. This deficiency is principally due to the Association's bank loan facility, which is classified as a current liability as the Association did not have a right at the reporting date to defer the settlement for at least twelve months. As disclosed in Note 11(a), the loan facility expiry date has been extended until 31 October 2028 after the reporting period. As such, it is not anticipated that the Association will be required to make any repayments of principal prior to the expiry date.

As a result, it is expected that the Association will continue to have sufficient cash reserves to support its ongoing operations. Accordingly, the financial statements continue to be prepared on a going concern basis.

2 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - impairment of property, plant and equipment

The Association assesses impairment at the end of each reporting period by evaluating conditions specific to the Association that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

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Notes to the Financial Statements

For the Year Ended 30 June 2025

2 Critical Accounting Estimates and Judgments

Key estimates - receivables

The receivables at the reporting date have been reviewed to specifically provide for any debts which are considered irrecoverable. The remaining debts have been subject to expected credit loss testing based on the history of the association with the counterparty, the current economic climate and any future expectations relating to the industry and circumstances of the counterparty.

Key estimates - employee benefits provision

As discussed in Note 1(i), the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Key judgement - revenue recognition

Management exercises judgement to determine whether the identified performance obligations are sufficiently specific by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised goods or services. In making this assessment, management includes the nature/type, cost/value, quantity and the period of transfer related to the goods or services promised.

Where performance obligations are satisfied over time an appropriate input or output method is selected that is representative of the satisfaction of the obligations. Typically, this is costs incurred, or activities undertaken.

3 Revenue

	2025	2024
	\$	\$
Revenue from contracts with customers:		
- Clinical consultation fees	5,509,523	4,971,780
- Contact Allergen Bank Australia testing services	393,335	349,083
- Clinical trials income	1,497,905	766,613
- Conference and workshop sponsorships	787,451	950,073
- Education and research grants	1,652,695	2,002,692
- Clinical database registrations	398,618	269,695
	10,239,527	9,309,936
Revenue from other sources		
- Rental income	336,930	403,762
- Donations and bequests	61,804	121,810
- Other revenue	28,176	15,942
	426,910	541,514
Total Revenue	10,666,437	9,851,450

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Notes to the Financial Statements

For the Year Ended 30 June 2025

4 Cash and cash equivalents

	2025	2024
	\$	\$
Cash on hand	198	43
Cash at bank	66,163	55,609
Cash investment accounts	20,595	21,859
	<u>86,956</u>	<u>77,511</u>

(a) Reconciliation of available cash reserves

Cash and cash equivalents reported in the statement of financial position does not include available funds from unused loan facilities, as shown below:

Cash and cash equivalents		86,956	77,511
Available cash from unused portion of NAB loan facility	11	1,000,000	600,000
Available cash reserves		<u>1,086,956</u>	<u>677,511</u>

5 Trade and other receivables

CURRENT

Trade receivables	1,094,580	924,576
Provision for impairment	(56,940)	(10,000)
	<u>1,037,640</u>	<u>914,576</u>

Accrued dividends and franking credits	20,624	33,636
Other accrued income	-	45,163
	<u>1,058,264</u>	<u>993,375</u>

6 Financial Assets

Financial assets at fair value through profit or loss

CURRENT

Listed securities and managed funds	1,031,268	971,395
	<u>1,031,268</u>	<u>971,395</u>

7 Other Assets

CURRENT

Prepayments	210,633	237,072
	<u>210,633</u>	<u>237,072</u>

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Notes to the Financial Statements

For the Year Ended 30 June 2025

8 Intangible Assets

	2025	2024
	\$	\$
Computer software		
At cost	538,782	530,282
Accumulated amortisation	(408,906)	(368,048)
Total computer software	129,876	162,234
Total intangible assets	129,876	162,234

9 Property, plant and equipment

Land and buildings		
At valuation	12,500,000	12,302,523
Accumulated depreciation	-	(354,320)
Total land and buildings	12,500,000	11,948,203
Plant and equipment		
At cost	1,244,511	1,071,057
Accumulated depreciation	(898,397)	(851,032)
Total plant and equipment	346,114	220,025
Furniture, fixtures and fittings		
At cost	113,748	112,906
Accumulated depreciation	(67,688)	(64,791)
Total furniture, fixtures and fittings	46,060	48,115
Surgical equipment		
At cost	150,391	150,110
Accumulated depreciation	(106,344)	(98,638)
Total surgical equipment	44,047	51,472
Computer equipment		
At cost	218,418	185,941
Accumulated depreciation	(192,632)	(168,293)
Total computer equipment	25,786	17,648
Total property, plant and equipment	12,962,007	12,285,463

Land and buildings consist of the property at 80 Drummond Street, Carlton VIC. Land and buildings were revalued on 30 June 2025, based on the findings of an independent valuation report obtained from a professional valuer in September 2025.

National Australia Bank has a first registered mortgage over the Association's land and buildings.

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Notes to the Financial Statements

For the Year Ended 30 June 2025

10 Trade and other payables

	Note	2025 \$	2024 \$
CURRENT			
Trade payables		319,948	523,120
Rental bonds held		9,599	10,944
Sundry payables and accrued expenses		471,617	381,408
		<u>801,164</u>	<u>915,472</u>

11 Borrowings

CURRENT			
Bank loans	(a)	<u>2,000,000</u>	-
		<u>2,000,000</u>	-
NON-CURRENT			
Bank loans	(a)	-	<u>2,400,000</u>
		-	<u>2,400,000</u>

(a) Bank loans

As at 30 June 2025, the Association had a borrowing facility with the National Australia Bank (NAB) with an approved limit of \$3,000,000. This current facility is due to expire on 31 October 2025. In September 2025, the Association extended this facility for a further three years from NAB.

This facility has been classified as a current liability as the Association did not have a right at the reporting date to defer the settlement for at least twelve months.

The unused facility of \$1,000,000 can be drawn upon to meet cashflow requirements of the company.

12 Provisions

CURRENT			
Provision for annual leave		523,936	466,353
Provision for long service leave		313,960	236,732
		<u>837,896</u>	<u>703,085</u>
NON-CURRENT			
Provision for long service leave		10,372	14,845
		<u>10,372</u>	<u>14,845</u>

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Notes to the Financial Statements

For the Year Ended 30 June 2025

13 Other liabilities

	2025	2024
	\$	\$
CURRENT		
Deferred income	712,439	702,986
	<u>712,439</u>	<u>702,986</u>

14 Reserves

Asset revaluation reserve

The asset revaluation reserve records fair value movements on property, plant and equipment held under the revaluation model.

15 Contingent Liabilities

There are no contingent liabilities at the end of the reporting period.

16 Key Management Personnel Disclosures

The aggregate remuneration paid (or payable) to key management personnel of the Association during the financial year was \$736,460 (2024: \$ 837,640).

Board members are not remunerated for services provided in their capacity as a board member.

17 Related Parties

Other than the remuneration of key management personnel, there were no material transactions with related parties during the current or prior financial year.

18 Auditors' Remuneration

Remuneration of the auditor for:

- auditing the financial report	21,297	23,000
- accounting assistance and other assurance services	-	3,350
- disbursements	325	337
	<u>21,622</u>	<u>26,687</u>

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Notes to the Financial Statements

For the Year Ended 30 June 2025

19 Cash Flow Information

Reconciliation of surplus/(deficit) for the year to net cash provided by operating activities:

	2025	2024
	\$	\$
Surplus/(deficit) for the year	583,610	227,912
Non-cash flows in surplus/(deficit):		
- depreciation	148,326	157,113
- impairment of receivables	46,940	-
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(124,841)	(231,565)
- (increase)/decrease in other assets	26,439	(86,535)
- increase/(decrease) in trade and other payables	(114,308)	95,869
- increase/(decrease) in provisions	130,338	(40,224)
- increase/(decrease) in other liabilities	9,453	278,815
Cashflows from operations	<u>705,957</u>	<u>401,385</u>

20 Events Occurring After the Reporting Date

Except for matter described in 11(a) above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Association, the results of those operations or the state of affairs of the Association in future financial years.

21 Association Details

The registered office and principal place of business of the association is:
Skin Health Institute Inc.
Level 1, 80 Drummond Street
Carlton VIC 3053

Skin Health Institute Inc.

ABN: 58 895 584 259

Statement by Members of the Board


The board members have determined that the Association is not a reporting entity, and that this special purpose financial report should be prepared in accordance with the Accounting Policies outlined in Note 1 to the financial statements.

The board members declare that in their opinion:

- there are reasonable grounds to believe that the Association is able to pay all of its debts, as and when they become due and payable;
- the financial report gives a true and fair view of Association's financial position as at 30 June 2025 and of its financial performance for the year ended; and
- the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulations 2022*.

Board member



Date:

29/10/2025

Skin Health Institute Inc.

ABN: 58 895 584 259

Auditors Independence Declaration to the Board Members of Skin Health Institute Inc.

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2025, there have been:

- (i) no contraventions of the auditor independence requirements as set out in section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.



Saward Dawson



Jeffrey Tulk
Partner

Blackburn

Date: 31 October 2025

Skin Health Institute Inc.

ABN: 58 895 584 259

Independent Audit Report to the members of Skin Health Institute Inc.

Opinion

We have audited the financial report of Skin Health Institute Inc., which comprises the statement of financial position as at 30 June 2025, the statement of profit or loss and statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies, and the statement by members of the board.

In our opinion the financial report of Skin Health Institute Inc. has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) giving a true and fair view of the Association's financial position as at 30 June 2025 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards to the extent described in Note 1, and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2022*.

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 Association in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our 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.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Association's financial reporting responsibilities under the ACNC Act. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of Board Members for the Financial Report

The board members of the Association are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the ACNC Act and the needs of the members. The board members' responsibility also includes such internal control as the board members determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Skin Health Institute Inc.

ABN: 58 895 584 259

Independent Audit Report to the members of Skin Health Institute Inc.

In preparing the financial report, the board members are responsible for assessing the Association'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 board members either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

Skin Health Institute Inc.

ABN: 58 895 584 259

Independent Audit Report to the members of Skin Health Institute Inc.

We communicate with board members 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.



Saward Dawson



Jeffrey Tulk
Partner

Blackburn

Date: 31 October 2025