

Skin & Cancer Foundation Australia

ABN 23 001 578 105

Financial Statements - 31 December 2024

Skin & Cancer Foundation Australia
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For the year ended 31 December 2024

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Skin & Cancer Foundation Australia
Directors' report
For the year ended 31 December 2024

The directors present their report, together with the financial statements of Skin & Cancer Foundation Australia ('the company') for the year ended 31 December 2024.

Information on directors

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

Name: Ms M Dance
Title: Board Chair
Qualifications: 1992 M Comm
Experience and expertise: Chief Financial Officer, Cromwell Property Group January 2024 to present
Fund Manager, Cromwell Property Group March 2022 to January 2024
Fund Manager, Dexus December 2018 – December 2021
Executive Director, Institutional Real Estate, Commonwealth Bank of Australia 2015 - 2018
Head of Capital, Leighton Properties Pty Ltd 2010 - 2015
Group Executive, Investa Property Group 2004 - 2009
Appointed Director 29 April 2016
Appointed Chairperson 31 December 2021
Resigned 28 May 2024

Name: Dr P Frederiksen OAM
Title: Director
Qualifications: 1985 MBBS (Hons), 1993 FACD
Experience and expertise: Medical Practitioner Hornsby Hospital 1997 to 2005
Medical Practitioner Bourke and Brewarrina Hospitals 1993 to present
Appointed Director 24 June 2014
Resigned 3 December 2024

Name: Dr S Lee
Title: Director
Qualifications: 1993 MBBS, 1998 M.Med, 2002 FACD, 2002 Mohs Fellowship
Experience and expertise: Mohs Committee Australasian College of Dermatologists 2016 to present
Appointed Director Mohs Surgery 2015 to present
Head of Education, The Skin Hospital 2016 to present
Chief Examiner in procedural dermatology on the National Examination Committee for the Australasian College of Dermatologists until 2023
Appointed Director 23 February 2016
Resigned 19 May 2024

Name: Ms C Francis
Title: Director; Chair of People & Culture Committee
Qualifications: 1993 BA Hons (Econ), 2000 ACA (ICAEW), 2005 MPH (Usyd), 2010 Fellow (ICAEW), 2010 Associate (ICAA)
Experience and expertise: Partner Ernst & Young 2014 to present
Principal PwC 2010 to 2013
Appointed Director 29 April 2016
Appointed Chairperson 28 May 2024

Name: Ms B H Monaghan
Title: Director, Chair Clinical Governance Committee
Qualifications: 1981 BA (Linguistics); 1981 Dip TESL
Experience and expertise: HREC Committee Member Ramsay Health Care 2016 to present
Associate Director (part-time), Capgemini 2021 – Dec 2024
Practice Management & Strategy Lead, RXP Group 2015-2021
Director Business Development, Centrum Systems 2007 - 2015
VP Sales and Business Development, Sandstone Technology 2004 - 2006
VP Operations and Commercial APAC, eServGlobal Limited 2000 - 2003
Appointed Director 22 February 2022

Skin & Cancer Foundation Australia
Directors' report
For the year ended 31 December 2024

Name: Ms C Moylan
Title: Director
Qualifications: BBA/LLB (Hons), CFA, Certified Insolvency and Restructuring Advisor (AIRA)
Experience and expertise: Director & Officer, Gibbins Advisors Pty Ltd, 2020 to present
Principal, Gibbins Advisors, LLC, 2019 to present
Executive Director, KordaMentha, 2018
Managing Director, Healthcare Management Partners, LLC, 2014 to 2018
Director, Bolt Partners LLP, 2009 to 2014
Appointed Director 28 June 2022

Name: Mr G Putt
Title: Director, Chair Finance & Audit Committee
Qualifications: 1982 BCom, 1985 CA, 1991 Senior Fellow FINSIA, 2009 CSEP, 2015 GAICD
Experience and expertise: Executive Coach and Non-Executive Director 2023 to present including on the
Advisory Board, Franklin Women and ASA Institute of Higher Education
Finance Director, Fred Hollows Foundation 2019 to 2023
General Manager Trade and Investment, Austrade 2015-2019
Executive General Manager, CBA 2005-2015
Chief Operating Officer, Treasury Group 2003-2004
Managing Director, RBC Global Services Australia 2001 -2003
Group Executive, Perpetual 1998 -2001
General Manager, AMP Capital 1990-1998
Audit Manager, Ernst and Young 1983 - 1990
Appointed Director 28 June 2022

Name: Dr L Abbott
Title: Director
Qualifications: BA/LLB (Hons 1), MMBS, LLM, FACD
Experience and expertise: Medical Practitioner (Dermatologist) at the Skin Hospital 2023
Dermatology Registrar Training (2017 - 2022)
Barrister, Jack Shand Chambers (2005 - 2009)
Appointed Director 25 October 2022 and resigned 31 January 2024

Name: Dr A Tatian
Title: Director
Qualifications: MBBS, BScAdv (Chem), MIndigHlth, GAICD, FRACI CChem, FACD
Experience and expertise: Staff Specialist Dermatologist; Sydney Children's, Liverpool & Campbelltown
Hospitals
Australian Medical Council - Deputy Chair, Aboriginal, Torres Strait Islander
and Maori Standing-Committee, 2020 to present
Australian Medical-Council-Medical School Accreditation Committee Member~
2023-Present
Board Director - Gandangara Local Aboriginal Land-Council 2015-2019
Board Director-Australian-Indigenous Doctors Association 2015-2019
Appointed Director 25 October 2022

Company secretary

Helen Marissa Dransfield BA/LLB, AGIA was appointed as Company Secretary effective from 1 February 2023 and resigned 23 July 2024. Andrea Banic was subsequently appointed as Company Secretary effective 24 July 2024.

Members' liability

In accordance with the Constitution of the Company, every member of the Company undertakes to contribute an amount limited to \$50 per member in the event of the winding up of the company during the time that they are members or within one year thereafter. There were 206 members at 31 December 2024 (31 December 2023: 204 members).

At 31 December 2024 the collective liability of members was \$10,300 (2023: \$10,200).

Skin & Cancer Foundation Australia
Directors' report
For the year ended 31 December 2024

Company objectives, strategies, principal activities and performance indicators

The purpose of the Company is to benefit people who suffer from diseases of the skin. To that end, the Company aims to develop the following objectives in the immediate years ahead:

- to develop the science of dermatology and its sub-specialities;
- be a centre of excellence in the provision of dermatology services, research and education;
- remain financially independent; and
- maintain visibility and relevance for our stakeholders and for our dermatology trainees, students.

Each of these objectives provides the Company with the means to achieve its principal activities being the treatment, teaching and research of diseases of the skin.

The Company's strategy for achieving those objectives is to set measurable targets, to seek the resources required to achieve those targets, to assess the performance against those measures and to report the results to stakeholders in annual reports and whenever other opportunities are presented.

The Company measures its success by means of numerous performance indicators including measures relating to:

- the quality and frequency of presentations & publications produced under the auspices of the Company;
- the successful training of registrars, nurses and medical officers;
- the treatment of patients suffering from diseases of the skin;
- the resources dedicated to, and the outcomes from, research of diseases of the skin; and
- the ability to produce sufficient income or funding to meet the financial cost of our mission.

Review of performance

The profit from continuing operations for the year ended 31 December 2024 was \$1,424,082 (2023: deficit of 1,977,720) due to the net gain received on the disposal of the Westmead site in a sale and leaseback transaction. Total fee income grew by 14% to \$22.03m, a growth of \$2.71m. The Research and Clinical Trials teams have been reinforced and this is an area of continued growth.

The Net Asset position remains robust with \$13.1m held as equity. Cash holdings increased by \$4.99m

It is anticipated that the cost and revenue adjustments made throughout the year will be reflected in future years results. On 18 December 2024, the loans and borrowings was fully paid with the proceeds from the asset disposals, and the loan facility was closed.

Significant changes in state of affairs

In the opinion of the Directors there were no significant changes in the state of affairs of the Company that occurred during the financial year under review.

Indemnification

Since the end of the previous financial year, the Company has not indemnified or made relevant agreement for indemnifying against a liability any person who is or has been an officer or auditor of the Company.

During the financial year the Company has paid premiums in respect of directors' and officers' liability and legal expenses insurance contracts for the year ended 31 December 2024 and since the financial year, the Company has paid premiums in respect of such insurance contracts for the year ending 31 December 2024. Such insurance contracts insure against certain liability (subject to specific exclusions) persons who are or have been directors or executive officers of the Company.

The directors have not included details of the nature of the liabilities covered or the amount of the premiums paid in respect of the directors' and officers' liability and legal expenses insurance contracts, as such disclosure is prohibited under the terms of the contract.

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 31 December 2024, and the number of meetings attended by each director were:

Skin & Cancer Foundation Australia
Directors' report
For the year ended 31 December 2024

	Board Meetings Attended	Board Meetings Held	Finance & Audit Committee Meetings Attended	Finance & Audit Committee Meetings Held	People & Culture Committee Meetings Attended	People & Culture Committee Meetings Held	Clinical Governance Committee Meetings Attended	Clinical Governance Committee Meetings Held
Ms M Dance Dr P Frederiksen	4	4	-	-	-	-	-	-
OAM	8	8	3	3	-	-	1	1
Dr S Lee	4	4	-	-	-	-	-	-
Ms C Francis Ms B H	8	8	1	2	-	-	-	-
Monaghan	8	8	-	-	-	-	1	1
Mr G Putt	7	8	3	3	-	-	-	-
Ms C Moylan	6	8	3	3	-	-	-	-
Ms L Abbott	1	1	-	-	-	-	-	-
Mr A Tatian	7	8	-	-	-	-	-	1

Held: represents the number of meetings held during the time the director held office.

Subsequent events

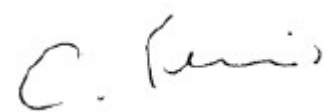
There has not arisen in the interval between the end of the financial year and the date of this report any further item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the company, to affect significantly the operations of the company, the results of those operations, or the state of affairs of the company, in future financial years.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under subdivision 60C section 60-40 of *Australian Charities and Not-for-profits Commission Act 2012* is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors.

On behalf of the directors



Ms Caitlin Francis
Chairperson

16th May 2025

To the Board of Directors of Skin & Cancer Foundation Australia

Auditor's Independence Declaration under Subdivision 60-40 of the *Australian Charities and Not-For-Profits Commission Act 2012*

In accordance with Subdivision 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, I am pleased to provide the following declaration of independence to the Board of Directors of Skin & Cancer Foundation Australia.

I declare that to the best of my knowledge and belief, during the year ended 31 December 2024 there have been no contraventions of the auditor independence requirements as set out in any applicable code of professional conduct in relation to the audit.

Yours sincerely,



Nexia Sydney Audit Pty Ltd



Vishal Modi

Director

Sydney

Date: 16 May 2025

Skin & Cancer Foundation Australia
Statement of profit or loss and other comprehensive income
For the year ended 31 December 2024

	Note	2024 \$	2023 \$
Revenue from rendering of services	4	22,034,541	19,321,413
Other income	5	1,734,005	1,674,846
Net gain on sale of assets	14	3,887,791	-
Employee benefits expense	6	(10,386,594)	(9,029,797)
Medical practitioner payments		(9,864,138)	(8,136,289)
Medical supplies		(877,118)	(810,444)
Repairs and maintenance		(640,735)	(588,137)
Cleaning expenses		(381,284)	(351,809)
Insurance expenses		(246,033)	(243,617)
Registrar expense		(1,318,620)	(1,200,780)
Other expenses	7	(1,567,977)	(1,649,529)
Depreciation and amortisation expense	8	(752,346)	(864,045)
Operating surplus/(deficit)		1,621,492	(1,878,188)
Finance income		-	17,974
Finance costs	9	(197,410)	(117,506)
Surplus/(deficit) before income tax expense		1,424,082	(1,977,720)
Income tax expense		-	-
Surplus/(deficit) after income tax expense for the year		1,424,082	(1,977,720)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income/(loss) for the year		<u>1,424,082</u>	<u>(1,977,720)</u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Skin & Cancer Foundation Australia
Statement of financial position
As at 31 December 2024

	Note	2024 \$	2023 \$
Assets			
Current assets			
Cash and cash equivalents	10	5,267,487	272,929
Patient, trade and other receivables	11	816,320	1,003,812
Prepayments	13	396,736	284,521
Total current assets		<u>6,480,543</u>	<u>1,561,262</u>
Non-current assets			
Property, plant and equipment	14	12,259,162	14,282,291
Right-of-use assets	12	560,944	106,382
Total non-current assets		<u>12,820,106</u>	<u>14,388,673</u>
Total assets		<u>19,300,649</u>	<u>15,949,935</u>
Liabilities			
Current liabilities			
Trade and other payables	15	2,906,590	1,818,936
Lease liabilities	17	79,573	61,983
Employee benefits	18	589,060	442,328
Total current liabilities		<u>3,575,223</u>	<u>2,323,247</u>
Non-current liabilities			
Loans and borrowings	16	-	1,683,300
Lease liabilities	17	2,450,288	49,734
Employee benefits	18	202,804	245,402
Total non-current liabilities		<u>2,653,092</u>	<u>1,978,436</u>
Total liabilities		<u>6,228,315</u>	<u>4,301,683</u>
Net assets		<u>13,072,334</u>	<u>11,648,252</u>
Equity			
Reserves	19	6,669,972	6,651,285
Retained surplus		<u>6,402,362</u>	<u>4,996,967</u>
Total equity		<u>13,072,334</u>	<u>11,648,252</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Skin & Cancer Foundation Australia
Statement of changes in equity
For the year ended 31 December 2024

	Capital surplus reserve \$	Retained surplus \$	Total equity \$
Balance at 1 January 2023	6,627,718	6,998,254	13,625,972
Deficit after income tax expense for the year	-	(1,977,720)	(1,977,720)
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive loss for the year	-	(1,977,720)	(1,977,720)
Transfers to capital surplus reserve	23,567	(23,567)	-
Balance at 31 December 2023	<u>6,651,285</u>	<u>4,996,967</u>	<u>11,648,252</u>
	Capital surplus reserve \$	Retained surplus \$	Total equity \$
Balance at 1 January 2024	6,651,285	4,996,967	11,648,252
Surplus after income tax expense for the year	-	1,424,082	1,424,082
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	1,424,082	1,424,082
Transfers to capital surplus reserve	18,687	(18,687)	-
Balance at 31 December 2024	<u>6,669,972</u>	<u>6,402,362</u>	<u>13,072,334</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Skin & Cancer Foundation Australia
Statement of cash flows
For the year ended 31 December 2024

	Note	2024 \$	2023 \$
Cash flows from operating activities			
Cash receipts from patients, customers and donations		26,333,689	20,104,258
Payments to suppliers and employees		(27,838,054)	(22,560,547)
Receipt of registrar grants and government grants		791,446	911,996
		(712,919)	(1,544,293)
Interest received		-	17,974
Interest and other finance costs paid		(197,410)	(117,506)
Net cash used in operating activities		(910,329)	(1,643,825)
Cash flows from investing activities			
Payments for property, plant and equipment	14	(351,020)	(1,016,502)
Proceeds from sale of property, plant and equipment		8,000,000	-
Net cash from/(used in) investing activities		7,648,980	(1,016,502)
Cash flows from financing activities			
Repayment of borrowings		(1,683,300)	(567,000)
Repayment of lease liabilities		(60,793)	(56,942)
Net cash used in financing activities		(1,744,093)	(623,942)
Net increase/(decrease) in cash and cash equivalents		4,994,558	(3,284,269)
Cash and cash equivalents at the beginning of the financial year		272,929	3,557,198
Cash and cash equivalents at the end of the financial year	10	<u>5,267,487</u>	<u>272,929</u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Skin & Cancer Foundation Australia
Notes to the financial statements
For the year ended 31 December 2024

Note 1. General information

Skin & Cancer Foundation Australia ("the Company") is a company limited by guarantee and a registered charity and domiciled in Australia. The address of the Company's registered office is 7 Ashley Lane, Westmead, NSW 2145.

The financial statements are as at and for the year ended 31 December 2024. The Company is a not-for-profit entity.

The Company is primarily involved in the treatment, teaching and research of diseases of the skin.

Note 2. Basis of preparation

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB'), the *Australian Charities and Not-for-profits Commission Act 2012* and associated regulations, as appropriate for not-for-profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Use of estimates and judgements

In preparing the financial statements judgements, estimates and assumptions are made that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Management bases its judgements and estimates on historical experience and on various other factors it believes to be reasonable under the circumstances, the result of which forms the basis of carrying values and liabilities that are not readily apparent from other sources.

Estimates and underlying assumptions are reviewed on an ongoing basis. Actual results may differ from these estimates under different assumptions and conditions and may materially affect the financial results or financial position reported in future periods.

Note 3. Material accounting policy information

The accounting policies that are material to the company are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the company.

The following Accounting Standards and Interpretations are most relevant to the company:

Revenue recognition

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Skin & Cancer Foundation Australia
Notes to the financial statements
For the year ended 31 December 2024

Note 3. Material accounting policy information (continued)

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Grants revenue

Grant revenue is recognised in profit or loss when the company satisfies the performance obligations stated within the funding agreements.

If conditions are attached to the grant which must be satisfied before the company is eligible to retain the contribution, the grant will be recognised in the statement of financial position as a liability until those conditions are satisfied.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Donations

Donations and bequests are recognised as revenue when received.

Income tax

As the company is a tax exempt institution in terms of subsection 50-10 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no right at the end of the reporting period to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

Note 3. Material accounting policy information (continued)

The company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset, including capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within other income in profit or loss.

Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Items of property, plant and equipment are depreciated from the date that they are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Land is not depreciated.

The estimated depreciation rates for the current and comparative periods are as follows:

Buildings & strata title units	2.50%
Property improvements	2.50% - 25%
Plant and equipment	20% - 33.33%

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

Note 3. Material accounting policy information (continued)

The company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Employee benefits

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Other long-term employee benefits

The company classifies employees' long service leave and annual leave entitlements as other long-term employee benefits as they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Provision is made for the company's obligation for other long-term employee benefits, which are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss classified under employee benefits expense.

The company's obligations for long-term employee benefits are presented as non-current liabilities in its statement of financial position, except where the company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current liabilities.

Skin & Cancer Foundation Australia
Notes to the financial statements
For the year ended 31 December 2024

Note 3. Material accounting policy information (continued)

Short-term benefits

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

The company's obligations for short-term employee benefits such as wages and salaries are recognised as part of current trade and other payables in the statement of financial position.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

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 tax authority is included in other receivables or other 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 tax authority, are presented as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Note 4. Revenue from rendering of services

	2024	2023
	\$	\$
Clinics and day surgery	<u>22,034,541</u>	<u>19,321,413</u>

Note 5. Other income

	2024	2023
	\$	\$
Registrar training grants and other grants	743,871	844,510
Donations	18,687	23,567
Clinical trials, corporate skin checks and other income	<u>971,447</u>	<u>806,769</u>
	<u>1,734,005</u>	<u>1,674,846</u>

Note 6. Employee benefits expense

	2024	2023
	\$	\$
Wages and salaries	8,926,887	8,062,477
Contributions to superannuation plans	912,752	753,849
Increase/(decrease) in liability for annual leave	61,839	(54,442)
Increase/(decrease) in liability for long service leave	42,295	(81,812)
Other associated personnel expenses	<u>442,821</u>	<u>349,725</u>
	<u>10,386,594</u>	<u>9,029,797</u>

Other associated personnel expenses include workers compensation insurance, recruitment, staff training, seminars and conferences and other payroll costs.

Skin & Cancer Foundation Australia
Notes to the financial statements
For the year ended 31 December 2024

Note 7. Other expenses

	2024	2023
	\$	\$
Bank fees, credit card and other charges	102,466	90,924
Consulting fees	63,824	258,313
Data communication	82,482	59,683
Energy costs	167,996	240,257
IT costs	242,719	261,394
Legal fees	96,828	52,055
Marketing	28,908	58,536
Parking	25,829	22,553
Patient and Medical practitioner amenities	70,264	69,304
Printing, postage and stationery	101,582	104,706
Staff amenities	100,471	93,196
Travel	80,450	38,639
Property related fees	13,222	20,925
Other expenses	390,936	279,044
	<u>1,567,977</u>	<u>1,649,529</u>

Note 8. Depreciation and amortisation

	2024	2023
	\$	\$
Depreciation on property, plant and equipment	682,822	803,255
Depreciation on right-of-use assets	69,524	60,790
	<u>752,346</u>	<u>864,045</u>

Note 9. Finance costs

	2024	2023
	\$	\$
Finance costs - bank borrowings	181,672	111,425
Finance costs - lease liabilities	15,738	6,081
	<u>197,410</u>	<u>117,506</u>

Note 10. Cash and cash equivalents

	2024	2023
	\$	\$
<i>Current</i>		
Cash on hand	-	5,000
Cash at bank	4,815,552	267,929
Term deposits	451,935	-
	<u>5,267,487</u>	<u>272,929</u>

Skin & Cancer Foundation Australia
Notes to the financial statements
For the year ended 31 December 2024

Note 11. Patient, trade and other receivables

	2024	2023
	\$	\$
<i>Current</i>		
Patient receivables	357,353	866,948
Other trade receivables	384,826	39,719
Less: Allowance for expected credit losses	<u>(19,605)</u>	<u>(19,605)</u>
	<u>722,574</u>	<u>887,062</u>
Accrued income	93,746	50
Net GST receivable	<u>-</u>	<u>116,700</u>
	<u><u>816,320</u></u>	<u><u>1,003,812</u></u>

Note 12. Right-of-use assets

	2024	2023
	\$	\$
<i>Non-current assets</i>		
Land and buildings - right-of-use	706,456	182,369
Less: Accumulated depreciation	<u>(145,512)</u>	<u>(75,987)</u>
	<u><u>560,944</u></u>	<u><u>106,382</u></u>

The company leases land and building for its operations at Dubbo NSW under agreement of 3 years.

On 29 November 2024, the company completed the sale of the Westmead property and subsequently entered into a 5 year lease of the property. This transaction was accounted for as a sale and leaseback transaction. The addition to the right-of-use assets as a result of this was \$524,086 which represents the retained portion of the previous written down value under the cost less accumulated depreciation valuation method. The accounting gain on this sale was \$3,887,791.

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Lease asset \$	Total \$
Balance at 1 January 2024	106,382	106,382
Additions	524,087	524,087
Depreciation expense	<u>(69,525)</u>	<u>(69,525)</u>
Balance at 31 December 2024	<u><u>560,944</u></u>	<u><u>560,944</u></u>

Note 13. Prepayments

	2024	2023
	\$	\$
<i>Current</i>		
Prepayments	<u><u>396,736</u></u>	<u><u>284,521</u></u>

Skin & Cancer Foundation Australia
Notes to the financial statements
For the year ended 31 December 2024

Note 14. Property, plant and equipment

	2024	2023
	\$	\$
<i>Non-current</i>		
Land and buildings - at cost	16,095,776	17,216,556
Less: Accumulated depreciation	<u>(4,255,963)</u>	<u>(4,908,968)</u>
	<u>11,839,813</u>	<u>12,307,588</u>
Plant and equipment - at cost	5,496,509	5,441,901
Less: Accumulated depreciation	<u>(5,077,160)</u>	<u>(4,876,452)</u>
	<u>419,349</u>	<u>565,449</u>
Strata title - at cost	-	3,219,314
Less: Accumulated depreciation	<u>-</u>	<u>(1,810,060)</u>
	<u>-</u>	<u>1,409,254</u>
	<u><u>12,259,162</u></u>	<u><u>14,282,291</u></u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Land and buildings \$	Plant and equipment \$	Strata title \$	Total \$
Balance at 1 January 2024	12,307,588	565,449	1,409,254	14,282,291
Additions	182,111	168,909	-	351,020
Disposal	(242,103)	(66,650)	(1,382,574)	(1,691,327)
Depreciation expense	<u>(407,783)</u>	<u>(248,359)</u>	<u>(26,680)</u>	<u>(682,822)</u>
Balance at 31 December 2024	<u><u>11,839,813</u></u>	<u><u>419,349</u></u>	<u><u>-</u></u>	<u><u>12,259,162</u></u>

On 29 November 2024, the company completed the sale of the Westmead property and subsequently entered into a 5 year lease of the property. This transaction was accounted for as a sale and leaseback transaction. The disposal of property, plant and equipment as a result of this was \$1,691,327.

In 2023 a valuation of the company's land and buildings at Darlinghurst was performed by an independent external valuer. The valuation was \$22.3m and exceeds the carrying amount of land and buildings by \$10.4m.

Note 15. Trade and other payables

	2024	2023
	\$	\$
<i>Current</i>		
Trade payables	394,095	365,336
Other payables and accrued expenses	1,095,078	1,117,143
Salary, wages and superannuation accrued	76,322	62,608
Deferred income	674,270	273,849
Net GST payable	<u>666,825</u>	<u>-</u>
	<u><u>2,906,590</u></u>	<u><u>1,818,936</u></u>

Skin & Cancer Foundation Australia
Notes to the financial statements
For the year ended 31 December 2024

Note 16. Loans and borrowings

	2024	2023
	\$	\$
<i>Non-current</i>		
Bank loan - secured	-	1,683,300

Terms and debt repayment schedule

Terms and conditions of outstanding loans are as follows:

Secured bank loans (variable interest rate)	6.60%	1,683,300
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On 18 December 2024, the loans and borrowings was fully paid with the proceeds from the asset disposals, and the loan facility was closed.

Note 17. Lease liabilities

	2024	2023
	\$	\$
<i>Current liabilities</i>		
Lease liability	79,573	61,983
<i>Non-current liabilities</i>		
Lease liability	2,450,288	49,734
	<u>2,529,861</u>	<u>111,717</u>

The lease liability is in relation to the lease of land and building for the company's operations at Dubbo NSW under agreement of 3 years and the Westmead property is under agreement of 5 years.

On 29 November 2024, the company completed the sale of the Westmead property and subsequently entered into a 5 year lease of the property. This transaction was accounted for as a sale and leaseback transaction, the addition to the lease liabilities as a result of this was \$2,478,937.

Note 18. Employee benefits

	2024	2023
	\$	\$
<i>Current</i>		
Annual leave	467,687	405,848
Long service leave	121,373	36,480
	<u>589,060</u>	<u>442,328</u>
<i>Non-current</i>		
Long service leave	202,804	245,402
Total employee benefits	<u>791,864</u>	<u>687,730</u>

Skin & Cancer Foundation Australia
Notes to the financial statements
For the year ended 31 December 2024

Note 19. Reserves

	2024	2023
	\$	\$
Capital surplus reserve	<u>6,669,972</u>	<u>6,651,285</u>

Capital surplus reserve

The reserve is used to recognise donations under capital surplus reserve.

Movements in reserves

Movements in each class of reserve during the current financial year are set out below:

	Capital surplus reserve \$	Total \$
Balance at 1 January 2024	6,651,285	6,651,285
Donations received	<u>18,687</u>	<u>18,687</u>
Balance at 31 December 2024	<u>6,669,972</u>	<u>6,669,972</u>

Note 20. Capital commitments

Total capital commitments for works are as follows:

	2024	2023
	\$	\$
Darlinghurst Scissor Lift Final Instalment	4,500	-
Westmead Consulting Room Vinyl	<u>3,590</u>	<u>-</u>
	<u>8,090</u>	<u>-</u>

In the opinion of the Directors, the Company did not have any other commitments at 31 December 2024.

Skin & Cancer Foundation Australia
Notes to the financial statements
For the year ended 31 December 2024

Note 21. Key management personnel disclosures

Key management personnel (KMP) of the Company are those persons having the authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly.

The aggregate compensation including severance payments made to the key management personnel is set out below:

	2024	2023
	\$	\$
Aggregate compensation	<u>1,507,624</u>	<u>1,096,241</u>

Directors act in a voluntary capacity and are not remunerated.

Note 22. Related party transactions

There were three Directors (2023: two) who were also Medical Practitioners during the financial year, and in that capacity those three Directors (2023: two) were paid fees for medical consulting services provided to the Skin Hospital. The fees paid were \$705,352 for the period ended 31 December 2024 (period to 31 December 2023: \$1,574,526). The amounts payable were \$64,225 as at 31 December 2024 (31 December 2023: \$97,623).

Note 23. Contingent liabilities

In the opinion of the Directors, the Company did not have any contingent liabilities at 31 December 2024.

Note 24. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Nexia Sydney Audit Pty Ltd, the auditor of the company:

	2024	2023
	\$	\$
<i>Audit services - Nexia Sydney Audit Pty Ltd</i>		
Audit of the financial statements	<u>29,500</u>	<u>28,000</u>
<i>Other services - Nexia Sydney Audit Pty Ltd</i>		
Non-audit services	<u>3,500</u>	<u>3,500</u>
	<u>33,000</u>	<u>31,500</u>

Note 25. Events after the reporting period

No matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Note 26. Fundraising appeals conducted during the financial year

	2024	2023
	\$	\$
Details of aggregate gross income and total direct expenses of fundraising		
Gross proceeds from fundraising appeals- donations	<u>18,687</u>	<u>23,567</u>

Application of funds received

The Company obtained a net surplus of \$18,687 (2023: \$23,567) from fundraising appeals, and this will be applied to the treatment, teaching, research of diseases of the skin and for nursing scholarship.

Skin & Cancer Foundation Australia
Directors' declaration
For the year ended 31 December 2024

In the opinion of the Directors of Skin & Cancer Foundation Australia (the "Company"):

- the attached financial statements and notes are in accordance with the Australian Charities and Not-For-Profits Commission Act 2012;
- the attached financial statements and notes give a true and fair view of the Company's financial position as at 31 December 2024 and of the performance for the year ended on that date;
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Ms Caitlin Francis
Chairperson

16th May 2025

Skin & Cancer Foundation Australia
Chairperson's declaration
For the year ended 31 December 2024

I, Ms Caitlin Francis, Chairperson of Skin & Cancer Foundation Australia, declare in my opinion:

- a. the financial report gives a true and fair view of all income and expenditure of Skin & Cancer Foundation Australia with respect to fundraising appeals activities for the year ended 31 December 2024;
- b. the statement of financial position gives a true and fair view of the state of affairs with respect to fundraising appeal activities as at 31 December 2024;
- c. the provisions of the Charitable Fundraising Act 1991 and Regulations and the conditions attached to the authority have been complied with for the year ended 31 December 2024; and
- d. the internal controls exercised by Skin & Cancer Foundation Australia are appropriate and effective in accounting for all income received and applied from any fundraising appeals.

Signed in accordance with a resolution of Directors.



Ms Caitlin Francis
Chairperson

Dated at Sydney this 16 May 2025

Independent Auditor's Report to the Members of Skin & Cancer Foundation Australia

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Skin & Cancer Foundation Australia (the Company), which comprises the statement of financial position as at 31 December 2024, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is 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 Company's financial position as at 31 December 2024 and of its financial performance for the year then ended; and
- ii) complying with Australian Accounting Standards - Simplified Disclosures 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 Company in accordance with the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to 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.

Other information

The directors are responsible for the other information. The other information comprises the information in Skin & Cancer Foundation Australia's annual report for the year ended 31 December 2024, but does not include the financial report and the auditor's report thereon. Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information we are required to report that fact. We have nothing to report in this regard.

Directors' responsibility for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Australian Charities and Not-for-profits Commission Act 2012 and for such internal control as the directors 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 directors are responsible for assessing the Company'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 directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibility 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 the 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 this financial report.

A further description of our responsibilities for the audit of the financial report is located at The Australian Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

Report on the Requirements of the Charitable Fundraising Act 1991 (NSW) and the Charitable Fundraising Regulation 2015 (NSW)

We have audited the financial report as required by section 24 of the Charitable Fundraising Act 1991 (NSW). Our procedures included obtaining an understanding of the internal control structure for fundraising appeal activities and examination, on a test basis, of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising appeal activities pursuant to the Charitable Fundraising Act 1991 and Charitable Fundraising Regulation 2021.

Because of any inherent limitations of any assurance engagement, it is possible that fraud, error or non-compliance may occur and not be detected. An audit is not designed to detect all instances of non-compliance with the requirements prescribed in the above-mentioned Act and Regulation as an audit is not performed continuously throughout the period and the audit procedures performed in respect of compliance with these requirements are undertaken on a test basis. The audit opinion expressed in this report has been formed on the above basis.

Opinion

In our opinion:

- a) The financial report gives a true and fair view of the financial results of fundraising appeal activities for the financial year ended 31 December 2024;

- b) The financial report has been properly drawn up, and the associated records have been properly kept for the financial year ended 31 December 2024, in accordance with the Charitable Fundraising Act 1991 and Regulations;
- c) Money received as a result of fundraising appeal activities conducted during the financial year ended 31 December 2024 has, in all material respects, been properly accounted for and applied in accordance with the Charitable Fundraising Act 1991 and Regulations; and
- d) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.



Nexia Sydney Audit Pty Ltd



Vishal Modi
Director

Dated: 16 May 2025
Sydney