

OPERATION SMILE AUSTRALIA LIMITED
(ABN 57 086 621 427)

2025 FINANCIAL REPORT



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**OPERATION SMILE AUSTRALIA LIMITED
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OPERATION SMILE AUSTRALIA LIMITED ABN 57 086 621 427
DIRECTORS' REPORT

Your directors present this report on the Entity for the financial year ended 30 JUNE 2025. In order to comply with the provisions of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act), the directors report as follows:

Directors

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

Susan Louise Lewandowski
Richard Andrew Lewandowski
Jeffrey Darryl Brunton
Simone Melissa Ledingham
Anthony Bishop
David Anthony - Appointed 27/03/2025
Glenn Ferguson

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

Objects

The objects for which the Company is established are:

- To establish, maintain and operate a charitable and scientific organisation to research and advance developments and care in the areas of plastic, reconstructive and specialised surgery by such methods as the Directors of the Company shall from time to time deem feasible and appropriate for people in necessitous circumstances;
- To co-ordinate special projects to deliver services, health care and education in Australia and the areas of plastic, reconstructive and specialised surgery to patients otherwise unable to afford or obtain such services;
- To sponsor and co-ordinate fundraising projects to raise funds for various projects, medical missions and other interest of the Company. These fundraising projects are to include, but are not limited to, bingo games, car washes, dinner functions, outings and any other fundraising activities or projects necessary for the raising of funds for the purposes of expanding and developing the interest of the Company; and
- To develop the necessary organisational structures of volunteers, so they may provide health care and sustain the program in coming years.

No significant change in the nature of these activities occurred during the year.

No matters have arisen since the end of the financial year which significantly affected, or may significantly affect the operations of the Entity, the results of these operations, or the state of affairs of the Entity in subsequent financial years.

Key Performance Measures

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

Information on Directors

Susan Louise Lewandowski	-	Director
Experience	-	Director since 09/03/1999
Richard Andrew Lewandowski	-	Director
Experience	-	Director since 09/03/1999
Jeffrey Darryl Brunton	-	Director
Experience	-	Director since 07/12/2004
Simone Melissa Ledingham	-	Director
Experience	-	Director since 11/12/2007

OPERATION SMILE AUSTRALIA LIMITED ABN 57 086 621 427
DIRECTORS' REPORT

- Anthony Bishop** - Director
- Experience - Director since 04/10/2019
- David Anthony** - Director
- Experience - Director since 27/03/2025
- Glenn Ferguson** - Director
- Experience - Director since 15/10/2019

Meetings of Directors

During the financial year, 6 meetings of directors was held. Attendances by each director were as follows:


	Directors' Meetings	
	Number eligible to attend	Number attended
Susan Louise Lewandowski	6	6
Richard Andrew Lewandowski	6	6
Jeffrey Darryl Brunton	6	3
Simone Melissa Leadingham	6	6
Anthony Bishop	6	3
David Anthony	2	2
Glenn Ferguson	6	3

The Entity is registered with the Australian Charities and Not-for-profits Commission and is a Entity limited by guarantee. If the Entity is wound up, the constitution states that each member is required to contribute a maximum of \$0 each towards meeting any outstanding obligations of the entity.


Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2025 has been received and can be found as part of the financial report.

Signed in accordance with a resolution of the Board of Directors:



Director



Director

Dated this 20th day of January 2026

OPERATION SMILE AUSTRALIA LTD ABN 57 086 621 427

**AUDITOR'S INDEPENDENCE DECLARATION UNDER ACNC ACT SECTION 60-40 TO THE
DIRECTORS OF OPERATION SMILE AUSTRALIA LTD**

In accordance with Subdivision 60-C of the Australian Charities and Not-for-profits Commission Act 2012, I am pleased to provide the following declaration of independence to the directors of Operation Smile Australia Ltd. As the lead audit partner for the audit of the financial report of Operation Smile Australia Ltd for the year ended 30 June 2025, I declare that, to the best of my knowledge and belief, during the year ended 30 June 2025 there have been no contraventions of:

- i. the auditor independence requirements as set out in the *Australian Charities and Not for Profits Commission Act 2012* in relation to the audit; and
- ii. any applicable code of professional conduct in relation to the audit.



Glen Klein FCPA
Registered Company Auditor 385321
Director
Audit Right Pty Ltd

14 January 2026

OPERATION SMILE AUSTRALIA LIMITED ABN 57 086 621 427
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2025

	Note	2025 \$	2024 \$
Revenue	2a	605,295.00	566,304.12
Administration expenses	2b	(92,597.53)	(117,664.25)
Operating expenses	2c	(247,206.84)	(244,451.77)
Service provision expenses	2d	(273,520.91)	(253,804.89)
Current year surplus before income tax		(8,030.28)	(49,616.79)
Income tax expense		0.00	0.00
Net current year surplus		(8,030.28)	(49,616.79)
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss		0.00	0.00
Items that will be reclassified subsequently to profit or loss when specific conditions are met		0.00	0.00
Total other comprehensive income for the year		0.00	0.00
Total comprehensive income for the year		(8,030.28)	(49,616.79)
Total comprehensive income attributable to members of the entity		(8,030.28)	(49,616.79)

The accompanying notes form part of these financial statements.

OPERATION SMILE AUSTRALIA LIMITED ABN 57 086 621 427
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025

	Note	2025 \$	2024 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	753,386.54	758,901.34
Accounts receivable and other debtors	4	<u>25,824.21</u>	<u>23,591.17</u>
TOTAL CURRENT ASSETS		<u>779,210.75</u>	<u>782,492.51</u>
NON-CURRENT ASSETS			
Property, plant and equipment	5	<u>9,239.97</u>	<u>12,086.88</u>
TOTAL NON-CURRENT ASSETS		<u>9,239.97</u>	<u>12,086.88</u>
TOTAL ASSETS		<u>788,450.72</u>	<u>794,579.39</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and other payables	6	20,082.89	21,360.68
Employee provisions	7	<u>7,740.10</u>	<u>4,560.70</u>
TOTAL CURRENT LIABILITIES		<u>27,822.99</u>	<u>25,921.38</u>
NON-CURRENT LIABILITIES			
Long term amounts payable		<u>0.00</u>	<u>0.00</u>
TOTAL NON CURRENT LIABILITIES		<u>0.00</u>	<u>0.00</u>
TOTAL LIABILITIES		<u>27,822.99</u>	<u>25,921.38</u>
NET ASSETS		<u>760,627.73</u>	<u>768,658.01</u>
EQUITY			
Retained surplus		<u>760,627.73</u>	<u>768,658.01</u>
TOTAL EQUITY		<u>760,627.73</u>	<u>768,658.01</u>

The accompanying notes form part of these financial statements.

OPERATION SMILE AUSTRALIA LIMITED ABN 57 086 621 427
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2025

	Retained Surplus / (Deficit) \$
Balance at 1 July 2023	818,274.80
Comprehensive income	
Surplus / (deficit) for the year attributable to members of the entity	(49,616.79)
Other comprehensive income for the year	0.00
Total comprehensive income attributable to members of the entity	(49,616.79)
Balance at 30 June 2024	768,658.01
Comprehensive income	
Surplus / (deficit) for the year attributable to members of the entity	(8,030.28)
Other comprehensive income for the year	0.00
Total comprehensive income attributable to members of the entity	(8,030.28)
Balance at 30 June 2025	760,627.73

OPERATION SMILE AUSTRALIA LIMITED ABN 57 086 621 427
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2025

	Note	2025	2024
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from donations and operations		603,051.83	665,878.47
Payments to suppliers and employees		(607,897.67)	(608,466.81)
Interest received		10.13	36.24
Interest paid		0.00	2.67
		0.00	2.67
Net cash (used in)/generated from operating activities	8	(4,835.71)	57,447.90
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for plant and equipment		(679.09)	(6,091.09)
		(679.09)	(6,091.09)
Net cash used in investing activities		(679.09)	(6,091.09)
Net increase in cash held		(5,514.80)	51,356.81
Cash on hand at the beginning of the financial year		758,901.34	707,544.53
Cash on hand at the end of the financial year	3	753,386.54	758,901.34

The accompanying notes form part of these financial statements.

OPERATION SMILE AUSTRALIA LIMITED ABN 57 086 621 427
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

The financial statements cover OPERATION SMILE AUSTRALIA LIMITED as an individual entity, incorporated and domiciled in Australia. OPERATION SMILE AUSTRALIA LIMITED is an Entity limited by guarantee.

The financial statements were authorised for issue on 14 January 2026 by the directors of the Entity.

Note 1: Summary of Significant Accounting Policies

Financial Reporting Framework

The directors have prepared the financial statements on the basis that the Entity is a non-reporting entity because there are no users who are dependent on its general purpose financial statements. These financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*. The Entity is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the *Australian Charities and Not-for-profits Commission Act 2012* and the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with those of previous periods unless stated otherwise.

Statement of Compliance

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the *Australian Charities and Not-for-profits Commission Act 2012*, the basis of accounting specified by all Australian Accounting Standards and Interpretations, and the disclosure requirements of the Accounting Standards AASB 101: *Presentation of Financial Statements*, AASB 107: *Cash Flow Statements*, AASB 108: *Accounting Policies, Changes in Accounting Estimates and Errors*, AASB 1031: *Materiality* and AASB 1054: *Australian Additional Disclosures*.

The Entity has concluded that the requirements set out in AASB 10 and AASB 128 are not applicable as the initial assessment on its interests in other entities indicated that it does not have any subsidiaries, associates or joint ventures. Hence, the financial statements comply with all the recognition and measurement requirements in Australian Accounting Standards.

Basis of Preparation

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Accounting Policies

a. **Revenue**

Revenue Recognition

The Entity has applied AASB 15 : *Revenue from Contracts with Customers* (AASB 15) and AASB 1058 : *Income of Not-for-Profit Entities* (AASB 1058) using the cumulative effective method of initially applying AASB 15 and AASB 1058 as an adjustment to the opening balance of equity at 1 July 2019. Therefore, the comparative information has not been restated and continues to be presented under AASB 118 : *Revenue* and AASB 1004 : *Contributions* . The details of accounting policies under AASB 118 and AASB 1004 are disclosed separately since they are different from those under AASB 15 and AASB 1058 , and the impact of changes is disclosed in Note 1.

OPERATION SMILE AUSTRALIA LIMITED ABN 57 086 621 427
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Note 1: Summary of Significant Accounting Policies (cont'd)

In the current year

Contributed assets

The entity receives assets from the government and other parties for nil or nominal consideration in order to further its objectives. These assets are recognised in accordance with the recognition requirements of other applicable accounting standards (for example AASB 9 , AASB 16 , AASB 116 and AASB 138 .)

On initial recognition of an asset, the Entity recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer).

The Entity recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

Operating grants, donations and bequests

When the entity received operating grant revenue, donations or bequests, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance with AASB 15 .

When both these conditions are satisfied, the Entity: – identifies each performance obligation relating to the grant – recognises a contract liability for its obligations under the agreement – recognises revenue as it satisfies its performance obligations.

Where the contract is not enforceable or does not have sufficiently specific performance obligations, the Entity:

- recognises the asset received in accordance with the recognition requirements of other applicable accounting standards (for example AASB 9 . AASB 16 , AASB 116 and AASB 138);
- recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer); and
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

If a contract liability is recognised as a related amount above, the Entity recognises income in profit or loss when or as it satisfies its obligations under the contract.

Interest income

Interest income is recognised using the effective interest method.

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

In the comparative period

Non-reciprocal grant revenue is recognised in profit or loss when the Entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the Entity and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before the Entity is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the Entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

OPERATION SMILE AUSTRALIA LIMITED ABN 57 086 621 427
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Note 1: Summary of Significant Accounting Policies (cont'd)

OPERATION SMILE AUSTRALIA LIMITED receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in profit or loss.

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised as it accrues using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

b. Fair Value of Assets and Liabilities

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

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

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

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

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

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

c. Property, Plant and Equipment

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

Freehold Property

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

OPERATION SMILE AUSTRALIA LIMITED ABN 57 086 621 427
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Note 1: Summary of Significant Accounting Policies (cont'd)

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

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

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

Plant and equipment

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

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

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

Depreciation

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

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

Class of Fixed Asset	Depreciation Rate
Plant and equipment	10-25%
Website development	20%

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

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

OPERATION SMILE AUSTRALIA LIMITED ABN 57 086 621 427
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Note 1: Summary of Significant Accounting Policies (cont'd)

d. Impairment of Assets

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

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

Where it is not possible to estimate the recoverable amount of a class of asset, the Entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

e. Employee Provisions

Short-term employee provisions

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

Other long-term employee provisions

Provision is made for employees' long service leave and annual leave entitlements 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. Other long-term employee benefits 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 high quality corporate 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 as part of employee provisions expense.

The Entity's obligations for long-term employee benefits are presented as non-current employee provisions in its statement of financial position, except where the Entity 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 employee provisions.

f. Cash and Cash Equivalents

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

g. Accounts Receivable and Other Receivables

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

OPERATION SMILE AUSTRALIA LIMITED ABN 57 086 621 427
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Note 1: Summary of Significant Accounting Policies (cont'd)

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

h. Goods and Services Tax (GST)

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

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

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

i. Income Tax

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

j. Intangible Assets

Software

Software is recorded at cost. Where software is acquired at no cost, or for a nominal cost, the cost is its fair value, as at the date of acquisition. It has a finite life and is carried at cost less accumulated amortisation and any impairment losses. Software has an estimated useful life of between one and three years. It is assessed annually for impairment.

k. Provisions

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

l. Comparative Figures

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

Where the Entity retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, a third statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements must be presented.

m. Critical Accounting Estimates and Judgements

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

OPERATION SMILE AUSTRALIA LIMITED ABN 57 086 621 427
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Note 1: Summary of Significant Accounting Policies (cont'd)

Key estimates

(i) Impairment

- The Entity assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Entity that may be indicative of impairment triggers.

Key judgments

(i) Performance obligations under AASB 15

To identify a performance obligation under AASB 15, the promise must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the promise is 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.

n. New and Amended Accounting Policies Adopted by the Entity

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

The Entity adopted AASB 2020-1 which amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. It also clarifies the meaning of “settlement of a liability”. The adoption of the amendment did not have a material impact on the financial statements.

AASB 2022-6: Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants

The Entity adopted AASB 2022-6 Amendments to Australian Accounting Standards – Non-current liabilities with covenants which amends AASB 101 to improve the information an entity provides in its financial statements about liabilities from loan arrangements for which the entity’s right to defer settlement of those liabilities for at least 12 months after the reporting period is subject to the entity complying with conditions specified in the loan arrangement.

The adoption of the amendment did not have a material impact on the financial statements.

The Entity has adopted all amendments required for the year ended 30 June 2025. The adoption of these amendments did not have a material impact on the financial statements.

o. New and Amended Accounting Policies Not Yet Adopted by the Entity

AASB 18: Presentation and Disclosure in Financial Statements

AASB 18 replaces AASB 101 as the standard describing the primary financial statements and sets out requirements for the presentation and disclosure of information in AASB-compliant financial statements. Amongst other changes, it introduces the concept of the “management-defined performance measures” to financial statements and requires the classification of transactions presented within the statement of profit or loss within one of five categories – operating, investing, financing, income taxes and discontinued operations. It also provides enhanced requirements for the aggregation and disaggregation of information.

The entity plans on adopting the amendment for the reporting period ending 30 June 2029. Management is currently assessing the impact the amendment will have on the financial statements once adopted.

OPERATION SMILE AUSTRALIA LIMITED ABN 57 086 621 427
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Note 2: Net Current Year Surplus / (Deficit)

	2025	2024
	\$	\$
a. Revenue		
Donations	558,230.99	480,366.95
Event income	11,582.80	70,282.31
Fundraising Events	6,473.83	6,543.63
Interest received	10.13	36.24
Merchandise sales	900.00	309.05
Raffles	6,127.94	0.00
Sponsorship	12,300.00	0.00
Team Fees	9,669.31	8,765.94
	<u>605,295.00</u>	<u>566,304.12</u>
b. Administration expenses		
Accounting and bookkeeping	4,709.86	4,671.10
Bank fees	1,094.73	876.79
Communications	360.00	390.00
Depreciation	3,526.00	6,872.00
Fees, charges and subscriptions	7,674.72	10,099.78
Interest paid	0.00	2.67
Meals and entertainment	3,074.68	3,991.33
Medical expenses	44,283.46	61,324.77
Motor Vehicle expenses	1,546.38	2,955.94
Printing, postage and stationery expenses	2,832.20	4,757.51
Sundry expenses	23,495.50	21,722.36
	<u>92,597.53</u>	<u>117,664.25</u>
c. Operating expenses		
Advertising and marketing	6,965.19	15,149.87
Computer costs	7,152.90	5,337.21
Equipment paid	740.91	167.27
Event costs	17,272.42	46,987.03
Funding expenses	0.00	58.18
Fundraising costs	15,425.07	29,997.19
Gifts and donations	2.00	2,225.39
Insurance	15,642.76	15,051.32
Scholarship	6,210.02	0.00
Sponsorship paid	1,000.00	0.00
Staff amenities	924.08	290.46
Travel and accomodation	175,871.49	129,187.85
	<u>247,206.84</u>	<u>244,451.77</u>

OPERATION SMILE AUSTRALIA LIMITED ABN 57 086 621 427
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Note 2: Net Current Year Surplus / (Deficit) (cont'd)

	2025	2024
	\$	\$
d. Service provision expenses		
Provision for Annual Leave	1,988.75	(6,017.81)
Provision for Long Service Leave	1,190.65	1,988.50
Superannuation	27,328.79	24,954.07
Wages and salaries	241,126.70	231,470.11
Worker's Compensation	1,886.02	1,410.02
	<u>273,520.91</u>	<u>253,804.89</u>

Note 3: Cash and Cash Equivalents

	2025	2024
	\$	\$
Cash at bank - Westpac Fundraising Account	6,241.16	1,468.96
Cash at bank - Westpac Main Account	4,060.70	7,711.57
Cash at bank - Westpac Medical Programs	739,869.53	746,515.79
Cash at bank - Westpac Medical Programs Reserve	3,035.05	3,024.92
Cash on hand - Petty Cash	180.10	180.10
	<u>753,386.54</u>	<u>758,901.34</u>

Note 4: Accounts Receivable and Other Debtors

	2025	2024
	\$	\$
Deposits Paid	4,420.00	0.00
GST receivable (payable)	1,669.14	3,346.49
Prepayments	5,812.77	5,516.62
Trade Debtors	13,922.30	14,728.06
	<u>25,824.21</u>	<u>23,591.17</u>

Note 5: Property, Plant and Equipment

	2025	2024
	\$	\$
Plant and equipment	21,371.00	21,874.89
Less accumulated depreciation	(15,420.38)	(15,302.36)
	<u>5,950.62</u>	<u>6,572.53</u>
Website Development	11,123.35	11,123.35
Less accumulated depreciation	(7,834.00)	(5,609.00)
	<u>3,289.35</u>	<u>5,514.35</u>
	<u>9,239.97</u>	<u>12,086.88</u>

OPERATION SMILE AUSTRALIA LIMITED ABN 57 086 621 427
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Note 6: Accounts Payable and Other Payables

	2025	2024
	\$	\$
Accounts Payable	9,927.35	8,477.42
PAYG Withholding Payable	7,977.00	11,367.00
Superannuation Payable	2,178.54	2,037.24
Wages Payable	0.00	(520.98)
	<u>20,082.89</u>	<u>21,360.68</u>

Note 7: Employee Provisions

	2025	2024
	\$	\$
Provision for Annual Leave	3,025.11	1,036.36
Provision for Long Service Leave	4,714.99	3,524.34
	<u>7,740.10</u>	<u>4,560.70</u>

Note 8: Cash Flow Information

	2025	2024
	\$	\$
Reconciliation of cash flows from operations with net current year surplus / (deficit)		
Net current year surplus / (deficit)	(8,030.28)	(49,616.79)
Non-cash flows in profit:		
- depreciation and amortisation	3,526.00	6,872.00
Changes in assets and liabilities:		
- increase/(decrease) in accounts receivable and other debtors	(2,233.04)	99,610.59
- (decrease)/increase in accounts payable and other payables	(1,277.79)	4,611.41
- (decrease)/increase in employee provisions	3,179.40	(4,029.31)
	<u>(4,835.71)</u>	<u>57,447.90</u>

Note 9: Entity Details

The registered office of the Entity is:

Mater Public Hospital
Raymond Terrace
SOUTH BRISBANE QLD 4101

The principal place of business is:

Mater Public Hospital
Raymond Terrace
SOUTH BRISBANE QLD 4101

Note 10: Members' Guarantee


The Entity is registered with the Australian Charities and Not-for-profits Commission and is a Entity limited by guarantee. If the Entity is wound up, the constitution states that each member is required to contribute a maximum of \$0 each towards meeting any outstanding obligations of the entity.

OPERATION SMILE AUSTRALIA LIMITED ABN 57 086 621 427
DIRECTORS' DECLARATION


In accordance with a resolution of the directors of OPERATION SMILE AUSTRALIA LIMITED, the directors of the Registered Entity declare that, in the directors' opinion:

- 1 The financial statements and notes, as set out in the financial report, satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and:
 - a. comply with the Australian Accounting Standards applicable to the Entity; and
 - b. give a true and fair view of the financial position of the Registered Entity as at 30 JUNE 2025 and of its performance for the year ended on that date.
- 2 There are reasonable grounds to believe that the Registered Entity will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with subsections 60.15(2) of the *Australian Charities and Not-for-profits Commission Regulation 2013*.



Director



Director

Dated this 20th day of JANUARY 2026

OPERATION SMILE AUSTRALIA LTD ABN 57 086 621 427
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OPERATION SMILE AUSTRALIA LTD

Qualified Opinion

We have audited the financial report of Operation Smile Australia Ltd (the registered entity), which comprises the statement of financial position as at 30 June 2025, 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 summary of significant accounting policies, and the directors' declaration.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the accompanying financial report of Operation Smile Australia Ltd is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act), including:

- (i) giving a true and fair view of the Registered Entity's financial position as at 30 June 2025 and of its performance for the year then ended; and
- (ii) complying with Australian Accounting Standards, and Division 60 of the *Australian Charities and Not-for-profits Commission Act 2013*.

Basis for Qualified Opinion

We were not the appointed auditor for the prior year. Accordingly, we are not able to verify opening balances or comparative information. However, nothing has come to our attention during the audit which would suggest any errors in opening balances.

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 Registered Entity in accordance with the ACNC Act, the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants* (the Code) that are relevant to 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.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the registered entity's annual report for the year ended 30 June 2025, but does not include the financial report and our auditor's report thereon.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

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 Registered Entity'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 the Directors for the Financial Report

The directors of the registered entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the ACNC Act 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 registered entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the registered entity 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 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 decision of users taken on the basis of this financial report.

As part of an audit in accordance with the Australia 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 Registered Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimate and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 Registered Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors 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 conditions may cause the company 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.

We communicate with the directors 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.



Glen Klein FCPA
Registered Company Auditor 385321
Director
Audit Right Pty Ltd

20 January 2026