



HAIRDRESSERS REGISTRATION
BOARD OF WA

financial statements
for the year ended
31st december 2005

annexure 2

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independent audit report

TO THE HAIRDRESSERS REGISTRATION BOARD OF WESTERN AUSTRALIA

Scope

We have audited the financial report of The Hairdressers' Registration Board of Western Australia for the year ended 31 December 2005 as set out on pages 1 to 14. The Members of the Board are responsible for the financial report. We have conducted an independent audit of the financial report in order to express an opinion on them to the members.

The financial report has been prepared for distribution to members of the Board for the purpose of fulfilling the Board's accountability requirements under the Hairdressers Registration Act 1946-1975.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. Our procedures included report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements so as to present a view which is consistent with our understanding of the Board's financial position and performance as represented by the results of its operations and cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion, the financial report presents fairly in accordance with applicable Accounting Standards and other mandatory professional requirements the financial position of the Hairdressers' Registration Board of Western Australia as at 31 December 2005, and the results of its operations and its cash flows for the year then ended.



JOHN WADDELL

Partner

Perth, WA

Dated this 19th day of June 2006.

THE HAIRDRESSERS' REGISTRATION BOARD

ABN: 96 069 148 908

statement of financial performance
for the year ended 31 december 2005

	Note	2005 \$	2004 \$
Revenues from ordinary activities	2	688,178	542,665
Proceeds on sale of non-current assets		-	1,000
Loss on disposal of assets	3	-	31,285
Employee expenses		288,875	285,114
Depreciation and amortisation expenses	3	9,294	10,995
Other expenses from ordinary activities		301,738	164,475
Net Profit/loss from ordinary activities attributable to the Board		88,271	49,796
Total changes in equity of the Board		88,271	49,796

THE HAIRDRESSERS' REGISTRATION BOARD

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statement of financial position
as at 31 december 2005

	Note	2005 \$	2004 \$
CURRENT ASSETS			
Cash assets	12	369,639	211,140
Other assets	5	2,433	71
TOTAL CURRENT ASSETS		372,072	211,211
NON CURRENT ASSETS			
Plant and equipment	6	49,419	54,411
TOTAL NON-CURRENT ASSETS		49,419	54,411
TOTAL ASSETS		421,491	265,622
CURRENT LIABILITIES			
Payables	7	12,206	4,855
Interest-bearing liabilities		-	-
Provisions	9	116,974	56,298
TOTAL CURRENT LIABILITIES		129,180	61,153
NON-CURRENT LIABILITIES			
Interest-bearing liabilities		-	-
Provisions	9	-	-
TOTAL NON-CURRENT LIABILITIES		-	-
TOTAL LIABILITIES		129,180	61,153
NET ASSETS		292,311	204,469
EQUITY			
Retained profits	10	292,311	204,469
TOTAL EQUITY		292,311	204,469

The accompanying notes from part of these financial statements.

THE HAIRDRESSERS' REGISTRATION BOARD

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statement of cash flows for the year ended 31 december 2005

	Note	2005 \$	2004 \$
Cash Flows from Operating Activities			
Receipts from operations		575,617	534,071
Payments to suppliers		(430,226)	(412,905)
Interest received		20,201	8,594
Net cash used in operating activities	12(b)	165,592	129,760
Cash Flows from Investing Activities			
Payment for plant and equipment		(4,302)	(28,188)
Proceeds from sale of plant and equipment		-	1,000
Net cash provided by (used in) investing activities		(4,302)	(27,188)
Cash flows from Financing Activities			
Net cash used in financing activities		(2,726)	(8,148)
Net increase/(decrease) in cash held		158,564	94,424
Cash at beginning of the financial year		211,211	116,787
Cash at end of the financial year	12(a)	369,775	211,211

The accompanying notes from part of these financial statements.

THE HAIRDRESSERS' REGISTRATION BOARD

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notes to the financial statements for the year ended 31 december 2005

Note 1: Statement of Significant Accounting Policies

- i) The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial report covers the Hairdressers Registration Board as an individual entity. The Hairdressers' Registration Board is a body constituted under the Hairdressers' Registration Act of 1946, and domiciled in Australia.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

- ii) Change in Accounting Policies.

The accounting policies adopted by the Board in the preparation of the financial report are consistent with those in the previous year.

The following is a summary of the material accounting policies adopted by the Board in the preparation of the financial statements.

a) Income Tax

The board is exempt from income tax under the provisions of the Income Tax Assessment Act (1997).

b) Plant and equipment

Each class of plant and equipment is carried at cost less, where applicable, any accumulated depreciation.

The carrying amount of plant and equipment is reviewed annual by the Board to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining the recoverable amount.

Depreciation

The depreciable amount of all fixed assets are depreciated over their useful lives of the assets to the Board commencing from the time the asset is held ready to use. Leasehold improvements are depreciated over 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:

- | | |
|--------------------------|------------------------------------|
| • Office Equipment | 15.00% reducing balance/prime cost |
| • Motor Vehicles | 22.50% reducing balance |
| • Computer Equipment | 27.00% prime cost |
| • Leasehold Improvements | Over the period of the lease |

THE HAIRDRESSERS' REGISTRATION BOARD

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notes to the financial statements for the year ended 31 december 2006

Note 1: Statement of Significant Accounting Policies (Cont.)

c) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the Board, are classified as finance leases. Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Leased assets are depreciated on a straight line basis over the estimated useful lives where it is likely that the association will obtain ownership of the asset or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments under operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

d) Revenue

Revenue from the registration of hairdressers' is recognised upon the receipt of funds.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

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

e) Employee Entitlements

Provision is made for the Board's liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries and annual leave which will be settled after one year, have been measured at their nominal amount. Long service leave is vesting to employees after seven years service.

Contributions are made by the Board to employee superannuation fund and are charged as expense when incurred.

f) Cash

For the purposes of the statement of cash flows, cash includes cash on hand and at call deposits with banks or financial institutions, measured net of bank overdrafts.

THE HAIRDRESSERS' REGISTRATION BOARD

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notes to the financial statements for the year ended 31 december 2005

Note 1: Statement of Significant Accounting Policies (Cont.)

	2005 \$	2004 \$
Note 2: Revenue		
Operating activities:		
- hairdresser's registrations	571,295	526,475
- interest received from other persons	20,201	8,594
- Government vehicle scheme	4,075	4,005
- Wages reimbursement	92,361	53,400
- Insurance recoveries received	246	3,591
	688,178	596,065
Non-Operating activities:		
- Proceeds on sale of non-current assets	-	1,000
Total Revenue	688,178	607,670

Note 3: Loss from ordinary activities

Loss from ordinary activities has been determined after:

a) Expenses:		
Depreciation of property, plant and equipment	9,294	10,995
Remuneration of auditor:		
- Audit or review services	4,133	3,138
Rental on operating leases:		
- minimum lease payments rent	31,000	42,187
- minimum lease payments cars	19,976	16,047
Bad debts	-	-
b) Revenue and net gains:		
Net gain/(loss) on disposal of property, plant and equipment	-	(30,286)

Note 5: Other Assets

Petty Cash	136	71
Fringe Benefits tax PAYG Instalments	2,297	-
	2,433	71

THE HAIRDRESSERS' REGISTRATION BOARD

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notes to the financial statements for the year ended 31 december 2005

	2005 \$	2004 \$
Note 6: Property, Plant and Equipment		
Motor Vehicles		
At cost	-	-
Less accumulated depreciation	-	-
	-	-
Plant and Equipment		
At cost	84,447	80,145
Less accumulated depreciation	(35,028)	(25,734)
	49,419	54,411
	49,419	54,411

a) Movements in carrying amounts

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

	Motor Vehicles \$	Plant & Equipment \$	Total \$
Carrying amount at the beginning of financial year	-	54,411	54,411
Additions	-	4,302	4,302
Less disposals	-	0	0
Less depreciation expense	-	(9,294)	(9,294)
Depreciation eliminated on disposal	-	-	-
Prior year depreciation adjustments	-	-	-
Carrying amount at the end of the financial year	-	49,419	49,419

THE HAIRDRESSERS' REGISTRATION BOARD

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notes to the financial statements
for the year ended 31 december 2005

	2005 \$	2004 \$
Note 7: Payables		
Current		
Trade creditors	766	-
GST collected	(2,304)	(1,166)
Superannuation liability	-	900
PAYG withholding	13,744	5,120
	12,206	4,854
Note 8: Interest Bearing Liabilities		
Current		
Lease liability	-	-
Non-Current		
Lease liability	-	-
Note 9: Provisions		
Current		
Employee entitlements	116,974	56,298
Non-Current		
Employee entitlements	-	-
Number of full-time employees at year end	4	4
Note 10: Retained profits		
Retained profits at beginning of the financial year	204,469	154,673
Net profit/(loss) attributable to the Board	88,271	49,796
Retained profits at the end of the financial year	292,740	204,469
Note 11: Capital and Leasing Commitments		
(a) Operating Lease Commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements		
Payable:-		
- not later than one year	21,796	31,000
- later than one year but not longer than five years	-	-
	21,796	31,000

THE HAIRDRESSERS' REGISTRATION BOARD

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notes to the financial statements for the year ended 31 december 2005

	2005	2004
	\$	\$
Note 11: Capital and Leasing Commitments (cont'd)		
Cancellable operating lease contracted for but not capitalised in the financial statements		
Payable:-		
- No later than one year	21,796	20,341
- Later than one year but no longer than five years	21,796	20,341
	21,796	40,682

Note 12: Cash Flow Information

(a) Reconciliation of Cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

Cash on hand	136	71
Cash at bank	369,639	211,140
	369,775	211,211

(b) Reconciliation of Cash Flow from Operations with profit/(loss) from Ordinary activities

Profit/(Loss) from ordinary activities after income tax	88,271	49,796
Non-cash flows in accumulated surplus from ordinary activities		
Non-cash items	-	8,147
Net gain on disposal of plant and equipment	-	30,285
Depreciation	9,294	10,995
Changes to provisions	60,676	28,080
Changes in assets and liabilities:		
(Increase)/Decrease in receivables	-	-
Increase/(Decrease) in trade creditors and accruals	7,351	2,458
Cash flows from operations	165,592	129,761

THE HAIRDRESSERS' REGISTRATION BOARD

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notes to the financial statements for the year ended 31 december 2005

NOTE 13: Financial Instruments

(a) Interest Rate Risk

The exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities is as follows:

	Weighted Ave Effective Interest Rate		Fixed Interest Rate Maturing				Non-Interest Bearing	
	%	%	Within Year		1 to 5 Years		\$	\$
			\$	\$	\$	\$		
	2004	2005	2004	2005	2004	2005	2004	2005
Cash	4.15	4.15	369,775	211,140	-	-	-	-
Trade Debtors			-	-	-	-	-	-
Total Financial Assets			369,775	211,140	-	-	-	-
Payables			-	-	-	-	12,206	4,855
Borrowings			-	-	-	-	-	-
Total Financial Liabilities			-	-	-	-	12,206	4,855

(b) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts, as disclosed in the Statement of Financial Position and notes to the financial report.

(c) Net Fair Values

The net fair value of financial assets and financial liabilities approximate the values disclosed in the statement of financial position and in the notes to the financial statements.

Note 14: Segment Reporting

The Hairdressers' Registration Board operates within one industry segment being the registration of hairdressers, and in one geographical segment being Western Australia.

Note 15: Corporate Details

The principal place of business is:
Hairdressers Registration Board
46 Salvado Road
WEMBLEY WA 6014

THE HAIRDRESSERS' REGISTRATION BOARD

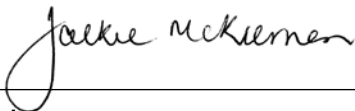
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statement by members of the board

In the opinion of the Board the financial report as set out on pages 4 to 13:

1. Presents fairly the financial position of the Hairdressers Registration Board as at 31 December 2005 and its performance for the year ended on that date in accordance with Australian Accounting Standards, mandatory professional reporting requirements and other authoritative pronouncements of the Australian Accounting Standards Board.
2. At the date of this statement, there are reasonable grounds to believe that the Hairdresser's Registration Board will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Board and is signed for and on behalf of the Board by:



Chairperson



Registrar

Dated this 30th day of June 2007.

THE HAIRDRESSERS' REGISTRATION BOARD

ABN: 96 069 148 908

private information for the members on the financial statements

DISCLAIMER

The additional financial data presented on the following page is in accordance with the books and records of the Hairdresser's Registration Board ("our client") which have been subjected to the auditing procedures applied in our statutory audit of the Board for the year ended 31 December 2005.

It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and no warranty of accuracy or reliability is given.

Dated this 19th day of June 2006.

Lyons Waddell Pty Ltd
Chartered Accountants



John Waddell
Partner

operating statement

for the year ended 31 december 2005

	2005 \$	2004 \$
Operating Revenues		
Registration fees - Principals	289,140	274,667
Registration fees - Employees	93,421	100,911
Assessment fees	44,852	28,177
Certificate fees	76,668	66,666
Suspension fees/fines	2,911	1,730
Transfer fees	3,263	3,941
Reinstatement fees	3,304	486
Interest received	20,201	8,594
Application fee	55,360	49,868
Wages reimbursement	92,360	53,400
Government vehicle scheme	4,075	4,005
Insurance recoveries	246	3,591
Miscellaneous Income	2,377	29
	688,178	596,065
Operating Expenses		
Accounting fees	373	815
Advertising	2,097	635
Audit fees	4,133	3,138
Bank fees	6,309	7,640
Board members fees	7,233	5,359
Cleaning	784	790
Courier charges	264	55
Depreciation	9,294	10,995
Electricity	2,370	3,774
Examination expenses	1,870	4,845
Fringe Benefit tax expense	3,063	1,886
Insurance	5,860	3,695
Internet expenses	1,597	1,032
Lease expenses	-	900
Legal fees	10,816	12,680
Maintenance	1,945	320
Meeting expenses	-	301
Motor vehicle expenses	1,562	1,064
Office equipment/expenses	980	140
Petty cash expenditure	1,447	1,017
Postage	18,645	9,585
Printing and stationery	31,352	12,219
Professional fees	6,261	407
Provision for employee entitlements	60,674	28,080
Publications	-	519
Relocation costs	-	6,512
Rent, outgoing and taxes	31,000	42,187
Salaries	288,875	285,436
Software development	11,580	626
Staff amenities/training	838	2,304
Superannuation	19,270	19,375
Telephone	8,341	7,182
Temporary staff	39,622	21,639
Travel and entertainment/mileage	1,477	2,784
Loss on sale of assets	-	30,286
Motor Vehicle lease payments	19,975	16,047
	599,907	546,269
Changes in Net Assets Resulting from Operations	88,271	49,769