



HAIRDRESSERS REGISTRATION
BOARD OF WA

financial statements
for the year ended
31st december 2006

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 2006 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 2006, and the results of its operations and its cash flows for the year then ended.



JOHN WADDELL

Partner

Perth, WA

Dated this 23rd day of April 2007.

THE HAIRDRESSERS' REGISTRATION BOARD

ABN: 96 069 148 908

statement of financial performance for the year ended 31 december 2006

	Note	2006 \$	2005 \$
Revenues from ordinary activities	2	722,694	688,178
Loss on disposal of assets	3	5,203	-
Employee expenses		280,259	288,875
Depreciation and amortisation expenses	3	9,955	9,294
Other expenses from ordinary activities		227,862	301,738
<hr/>			
Net Profit/loss from ordinary activities attributable to the Board		199,415	88,271
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Total changes in equity of the Board		199,415	88,271
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THE HAIRDRESSERS' REGISTRATION BOARD

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statement of financial position
as at 31 december 2006

	Note	2006 \$	2005 \$
CURRENT ASSETS			
Cash assets	12	505,620	369,639
Other assets	5	12,304	2,433
TOTAL CURRENT ASSETS		517,924	372,072
NON CURRENT ASSETS			
Plant and equipment	6	54,046	49,419
TOTAL NON-CURRENT ASSETS		54,046	49,419
TOTAL ASSETS		571,970	421,491
CURRENT LIABILITIES			
Payables	7	9,013	12,206
Interest-bearing liabilities			-
Provisions	9	71,230	116,974
TOTAL CURRENT LIABILITIES		80,243	129,180
NON-CURRENT LIABILITIES			
Interest-bearing liabilities		-	-
Provisions	9	-	-
TOTAL NON-CURRENT LIABILITIES		-	-
TOTAL LIABILITIES		80,243	129,180
NET ASSETS		80,243	292,311
EQUITY			
Retained profits	10	491,727	292,311
TOTAL EQUITY		491,727	292,311

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 2006

	Note	2006 \$	2005 \$
Cash Flows from Operating Activities			
Receipts from operations		647,856	575,617
Payments to suppliers		(508,121)	(430,226)
Interest received		29,094	20,201
<hr/>			
Net cash used in operating activities	12(b)	168,829	165,592
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Cash Flows from Investing Activities			
Payment for plant and equipment		(19,784)	(4,302)
Proceeds from sale of plant and equipment		-	-
<hr/>			
Net cash provided by (used in) investing activities		(19,784)	(4,302)
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Cash flows from Financing Activities			
Net cash used in financing activities		(13,032)	(2,726)
<hr/>			
Net increase/(decrease) in cash held		136,013	158,564
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Cash at beginning of the financial year		369,775	211,211
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Cash at end of the financial year	12(a)	505,788	369,775
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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 2006

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 | 40.00% 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 2006

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

	2006 \$	2005 \$
Note 2: Revenue		
Operating activities:		
- hairdresser's registrations	601,087	571,295
- interest received from other persons	29,094	20,201
- Government vehicle scheme	3,978	4,075
- Wages reimbursement	41,385	92,361
- Insurance recoveries received	1,406	246
	676,950	688,178
Non-Operating activities:		
- Provision for employee entitlements	45,744	-
Total Revenue	722,694	688,178

Note 3: Loss from ordinary activities

Loss from ordinary activities has been determined after:

a) Expenses:		
Depreciation of property, plant and equipment	9,955	9,294
Remuneration of auditor:		
- Audit or review services	3,588	4,133
Rental on operating leases:		
- minimum lease payments rent	39,749	31,000
- minimum lease payments cars	27,413	19,976
b) Revenue and net gains:		
Net gain/(loss) on disposal of property, plant and equipment (5,203)		-

Note 5: Other Assets

Petty Cash	168	136
Fringe Benefits tax PAYG Instalments	5,498	2,297
GST Net December 06 quarter	6,638	-
	12,304	2,433

THE HAIRDRESSERS' REGISTRATION BOARD

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

	2006 \$	2005 \$
Note 6: Property, Plant and Equipment		
Motor Vehicles		
At cost	-	-
Less accumulated depreciation	-	-
	-	-
Plant and Equipment		
At cost	91,896	84,447
Less accumulated depreciation	37,850	(35,028)
	54,046	49,419
	54,046	49,419

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	-	49,419	49,419
Additions	-	19,784	19,784
Less disposals	-	(12,335)	(12,335)
Less depreciation expense	-	(9,955)	(9,955)
Accumulated depreciation eliminated on disposal	-	7,133	7,133
Prior year depreciation adjustments	-	-	-
Carrying amount at the end of the financial year	-	54,046	54,046

THE HAIRDRESSERS' REGISTRATION BOARD

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

	2006 \$	2005 \$
Note 7: Payables		
Current		
Trade creditors	3,673	766
GST collected	-	(2,304)
Superannuation liability	-	-
PAYG withholding	5,340	13,744
	9,013	12,206
Note 8: Interest Bearing Liabilities		
Current		
Lease liability	-	-
Non-Current		
Lease liability	-	-
Note 9: Provisions		
Current		
Employee entitlements	71,230	116,974
Non-Current		
Employee entitlements	-	-
Number of full-time employees at year end	5	4
Note 10: Retained profits		
Retained profits at beginning of the financial year	292,311	204,469
Net profit/(loss) attributable to the Board	199,415	88,271
Retained profits at the end of the financial year	491,726	292,740
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	19,919	21,796
- later than one year but not longer than five years	-	-
	19,919	21,796

THE HAIRDRESSERS' REGISTRATION BOARD

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

	2006 \$	2005 \$
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	19,919	21,796
Later than one year but no longer than five years	19,919	21,796
	19,919	21,796

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	168	136
Cash at bank	505,620	369,639
	505,788	369,775

(b) Reconciliation of Cash Flow from

Operations with profit/(loss) from Ordinary activities

Profit/(Loss) from ordinary activities after income tax	199,415	88,271
Non-cash flows in accumulated surplus from ordinary activities		
Non-cash items	-	-
Net gain on disposal of plant and equipment	5,203	-
Depreciation	9,955	9,294
Changes to provisions	(48,937)	60,676
Changes in assets and liabilities:		
Increase/(Decrease) in trade creditors and accruals	3,193	7,351
Cash flows from operations	168,829	165,592

THE HAIRDRESSERS' REGISTRATION BOARD

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

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		\$	\$
			\$	\$	\$	\$		
	2006	2005	2006	2005	2006	2005	2006	2005
Cash	4.15	4.15	505,620	369,775	-	-	-	-
Trade Debtors			-	-	-	-	-	-
Total Financial Assets			505,620	369,775	-	-	-	-
Payables			-	-	-	-	9,013	12,206
Borrowings			-	-	-	-	-	-
Total Financial Liabilities			-	-	-	-	9,013	12,206

(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

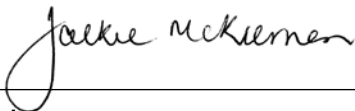
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statement by members of the board

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 2006 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

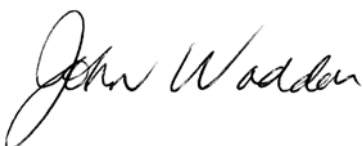
DISCLAIMER

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 2006.

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 23rd day of April 2007.

Lyons Waddell Pty Ltd
Chartered Accountants



John Waddell
Partner

operating statement

for the year ended 31 december 2006

	2006 \$	2005 \$
Operating Revenues		
Registration fees - Principals	317,671	289,140
Registration fees - Employees	86,286	93,421
Assessment fees	43,047	44,852
Certificate fees	81,586	76,668
Suspension fees/fines	2,274	2,911
Transfer fees	3,569	3,263
Reinstatement fees	4,872	3,304
Interest received	29,094	20,201
Application fee	61,248	55,360
Wages reimbursement	41,385	92,360
Government vehicle scheme	3,978	4,075
Insurance recoveries	534	246
Miscellaneous Income	1,406	2,377
Provision for employee entitlements	45,744	-
	722,694	688,178
Operating Expenses		
Accounting fees	633	373
Advertising	6,235	2,097
Audit fees	3,588	4,133
Bank fees	6,188	6,309
Board members fees	4,439	7,233
Cleaning	1,155	784
Courier charges	380	264
Depreciation	9,955	9,294
Electricity	2,056	2,370
Examination expenses	9,373	1,870
Fringe Benefit tax expense	6,582	3,063
GST Adjustment Account	350	-
Insurance	8,835	5,860
Internet expenses	1,266	1,597
Legal fees	6,300	10,816
Maintenance	916	1,945
Motor vehicle expenses	2,576	1,562
Motor vehicle fleet management	7,534	-
Office equipment/expenses	-	980
Petty cash expenditure	910	1,447
Postage	6,927	18,645
Printing and stationery	50,771	31,352
Professional fees	-	6,261
Provision for employee entitlements	-	60,674
Publications	148	-
Rent, outgoings and taxes	39,749	31,000
Salaries	280,258	288,875
Software development	8,425	11,580
Staff amenities/training	1,464	838
Superannuation	23,652	19,270
Telephone	7,532	8,341
Temporary staff	-	39,622
Travel and entertainment/mileage	-	1,477
Loss on sale of assets	5,203	-
Motor Vehicle lease payments	19,879	19,975
	523,279	599,907
Changes in Net Assets Resulting from Operations	199,415	88,271