



HAIRDRESSERS REGISTRATION
BOARD OF WA

annexure 2 : financial statements

FOR THE YEAR ENDED 31ST DECEMBER 2009

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 2009 as set out on pages 1 to 13. 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 2009, and the results of its operations and its cash flows for the year then ended.



JOHN WADDELL

Partner

Perth, WA

Dated this 30th day of June 2010.

THE HAIRDRESSERS' REGISTRATION BOARD

ABN: 96 069 148 908

statement of financial performance for the year ended 31 december 2009

	Note	2009 \$	2008 \$
Revenues from ordinary activities	2	761,487	767,819
Loss on disposal of assets	3	-	-
Employee expenses		415,099	378,534
Depreciation and amortisation expenses	3	17,661	17,712
Other expenses from ordinary activities		259,632	339,311
Net Profit/loss from ordinary activities attributable to the Board		69,095	32,262
Total changes in equity of the Board		69,095	32,262

The accompanying notes from part of these financial statements.

THE HAIRDRESSERS' REGISTRATION BOARD

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statement of financial position as at 31 december 2009

	Note	2009 \$	2008 \$
CURRENT ASSETS			
Cash assets	12	831,401	737,382
Other assets	5	9,759	9,356
TOTAL CURRENT ASSETS		841,160	746,738
NON CURRENT ASSETS			
Plant and equipment	6	45,331	53,847
TOTAL NON-CURRENT ASSETS		45,331	53,847
TOTAL ASSETS		886,491	800,585
CURRENT LIABILITIES			
Payables	7	8,336	8,351
Interest-bearing liabilities			
Provisions	9	166,863	150,037
TOTAL CURRENT LIABILITIES		175,199	158,388
NON-CURRENT LIABILITIES			
Interest-bearing liabilities		-	-
Provisions	9	-	-
TOTAL NON-CURRENT LIABILITIES		-	-
TOTAL LIABILITIES		175,199	158,388
NET ASSETS		711,292	642,197
EQUITY			
Retained profits	10	642,197	609,935
Current year earnings		69,095	32,262
TOTAL EQUITY		711,292	642,197

The accompanying notes form part of these financial statements.

THE HAIRDRESSERS' REGISTRATION BOARD

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statement of cash flows for the year ended 31 december 2009

	Note	2009 \$	2008 \$
Cash Flows from Operating Activities			
Receipts from operations		758,885	725,415
Payments to suppliers		(663,971)	(662,347)
Interest received		11,902	42,040
Net cash used in operating activities	12(b)	106,816	105,108
Cash Flows from Investing Activities			
Payment for plant and equipment		(9,145)	(32,171)
Net cash provided by (used in) investing activities		(9,145)	(32,171)
Cash flows from Financing Activities			
Net cash used in financing activities		(3,540)	(10,375)
Net increase/(decrease) in cash held		94,131	62,562
Cash at beginning of the financial year		737,499	674,937
Cash at end of the financial year	12(a)	831,630	737,499

The accompanying notes form part of these financial statements.

THE HAIRDRESSERS' REGISTRATION BOARD

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notes to the financial statements for the year ended 31 december 2009

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 2009

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 2009

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

	2009 \$	2008 \$
Note 2: Revenue		
Operating activities:		
- Hairdresser's registrations	741,865	718,808
- Interest received from other persons	11,902	42,040
- Government vehicle scheme	7,020	6,971
- Prior year audit adjustments	700	-
	761,487	767,819
Non-Operating activities:		
- Provision for employee entitlements	-	-
Total Revenue	761,487	767,819

Note 3: Loss from ordinary activities

Loss from ordinary activities has been determined after:

a) Expenses:		
Depreciation of property, plant and equipment	17,661	17,712
Remuneration of auditor:		
- Audit or review services	5,540	3,840
Rental on operating leases:		
- minimum lease payments rent	52,720	51,326
- minimum lease payments cars	37,491	33,499
b) Revenue and net gains:		
Net gain/(loss) on disposal of property, plant and equipment	-	-

Note 5: Other Assets

Petty Cash	229	117
Fringe Benefits tax PAYG Instalments	1,967	2,470
GST Net December 09 quarter	4,420	5,382
Pre paid superannuation	3,083	1,387
Payroll deductions payable	60	-
	9,759	9,356

THE HAIRDRESSERS' REGISTRATION BOARD

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notes to the financial statements for the year ended 31 december 2009

	2009 \$	2008 \$
Note 6: Property, Plant and Equipment		
Motor Vehicles		
At cost	-	-
Less accumulated depreciation	-	-
	-	-
Plant and Equipment		
At cost	133,212	124,067
Less accumulated depreciation	87,881	70,220
	45,331	53,847

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	-	53,847	53,847
Additions	-	9,145	9,145
Less disposals	-	-	-
Less depreciation expense	-	17,661	17,661
Accumulated depreciation eliminated on disposal	-	-	-
Prior year depreciation adjustments	-	-	-
Carrying amount at the end of the financial year	-	45,331	45,331

THE HAIRDRESSERS' REGISTRATION BOARD

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notes to the financial statements for the year ended 31 december 2009

	2009 \$	2008 \$
Note 7: Payables		
Current		
Trade creditors	1,783	-
Other liability	949	2,422
PAYG withholding	5,604	5,929
	8,336	8,351

Note 8: Interest Bearing Liabilities

Current		
Lease liability	-	-
Non-Current		
Lease liability	-	-

Note 9: Provisions

Current		
Employee entitlements	166,863	150,037
Non-Current		
Employee entitlements	-	-
Number of full-time employees at year end	7	7

Note 10: Retained profits

Retained profits at beginning of the financial year	642,197	609,935
Net profit/(loss) attributable to the Board	69,095	32,262
Retained profits at the end of the financial year	711,292	642,197

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	19,259	13,868
- later than one year but not longer than five years	18,298	-
	37,557	13,868

THE HAIRDRESSERS' REGISTRATION BOARD

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notes to the financial statements for the year ended 31 december 2009

	2009 \$	2008 \$
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	19,259	13,868
- Later than one year but no longer than five years	18,298	3,240
	37,557	17,108

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	229	117
- Cash at bank	831,401	737,382
	831,630	737,499

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

Profit/(Loss) from ordinary activities after income tax	69,095	32,262
Non-cash flows in accumulated surplus from ordinary activities:		
- Non-cash items	-	-
- Prior year adjustment	(700)	(364)
- Depreciation	17,661	14,658
- Changes to provisions	16,826	29,826
- Fringe Benefits Tax	3,934	3,934
Cash flows from operations	106,816	105,108

THE HAIRDRESSERS' REGISTRATION BOARD

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notes to the financial statements for the year ended 31 december 2009

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		\$	\$
			\$	\$	\$	\$		
	2009	2008	2009	2008	2009	2008	2009	2008
Cash	4.65	4.75	831,401	697,248	-	-	-	-
Trade Debtors			-	-	-	-	-	-
Total Financial Assets			831,401	697,248	-	-	-	-
Payables			-	-	-	-	8,336	8,351
Borrowings			-	-	-	-	-	-
Total Financial Liabilities			-	-	-	-	8,336	8,351

(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

ABN: 96 069 148 908

statement by members of the board

In the opinion of the Board the financial report as set out on pages 3 to 13:

1. Presents fairly the financial position of the Hairdressers Registration Board as at 31 December 2009 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 2010.

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 2009.

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 30th day of June 2009.

Lyons Waddell Pty Ltd
Chartered Accountants



John Waddell
Partner

Perth, WA

operating statement

for the year ended 31 december 2009

	2009 \$	2008 \$
Operating Revenues		
Registration fees – Principals	417,214	386,706
Registration fees – Employees	83,460	86,811
Assessment fees	39,203	40,479
Certificate fees	103,075	94,910
Suspension fees/fines	6,941	4,260
Transfer fees	2,005	2,756
Reinstatement fees	5,951	7,831
Interest received	11,902	42,040
Application fee	94,016	94,693
GST Adjustment	-	364
Government vehicle scheme	7,020	6,971
Other income	700	-
	771,487	767,819
Operating Expenses		
Accounting fees	300	700
Advertising	-	3,231
Audit fees	5,240	3,840
Bank fees	7,818	7,701
Board members fees	14,482	17,053
Cleaning	1,624	1,431
Consultants	-	25,501
Courier charges	153	343
Depreciation	17,661	17,712
Document management	841	1,441
Dues and subscriptions	162	1,075
Electricity	3,492	3,179
Examination expenses	6,285	4,055
Fringe Benefit tax expense	3,934	6,555
General expenses	150	-
Insurance	4,195	-
Internet expenses	1,271	964
Legal fees	16,470	20,343
Maintenance	1,214	1,886
Meeting expenses	680	471
Motor vehicle expenses	3,911	2,303
Motor vehicle fleet management	16,329	12,133
Office equipment/expenses	518	3,892
Petty cash expenditure	1,424	1,610
Postage	8,867	7,510
Printing and stationery	35,329	37,904
Provision for employee entitlements	16,826	48,943
Publications	-	54
Rent, outgoings and taxes	52,720	51,326
Salaries	400,617	322,258
Software development	6,089	14,302
Staff amenities/training	1,334	4,156
Staff uniforms	701	5,161
Superannuation	35,160	28,670
Telephone	11,012	11,103
Temporary staff	-	41,528
Travel and entertainment/mileage	4,421	3,856
Motor Vehicle lease payments	21,162	21,366
	702,392	735,557
Total Cost of Services	702,392	735,557
Changes in Net Assets Resulting from Operations	69,095	32,262