



HAIRDRESSERS REGISTRATION
BOARD OF WA

financial statements

FOR THE YEAR ENDED 31ST DECEMBER 2008

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 2008 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.

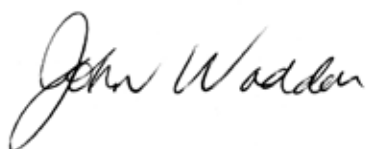
The financial report has been prepared for distribution to members of the Board for the purpose of fulfilling the Board's accountability requirements under the *Hairdressers Registration Act 1946-1975*.

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 2008, 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 2009.

THE HAIRDRESSERS' REGISTRATION BOARD

ABN: 96 069 148 908

statement of financial performance for the year ended 31 december 2008

	Note	2008 \$	2007 \$
Revenues from ordinary activities	2	767,819	749,022
Loss on disposal of assets	3	-	-
Employee expenses		378,534	297,856
Depreciation and amortisation expenses	3	17,712	14,658
Other expenses from ordinary activities		339,311	318,299
Net Profit/loss from ordinary activities attributable to the Board		32,262	118,209
Total changes in equity of the Board		32,262	118,209

The accompanying notes form part of these financial statements.

THE HAIRDRESSERS' REGISTRATION BOARD

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statement of financial position as at 31 december 2008

	Note	2008 \$	2007 \$
CURRENT ASSETS			
Cash assets	12	737,382	674,738
Other assets	5	9,356	12,329
TOTAL CURRENT ASSETS		746,738	687,067
NON CURRENT ASSETS			
Plant and equipment	6	53,847	39,388
TOTAL NON-CURRENT ASSETS		53,847	39,388
TOTAL ASSETS		800,585	726,455
CURRENT LIABILITIES			
Payables	7	8,351	15,727
Interest-bearing liabilities			
Provisions	9	150,037	101,093
TOTAL CURRENT LIABILITIES		158,388	116,820
NON-CURRENT LIABILITIES			
Interest-bearing liabilities		-	-
Provisions	9	-	-
TOTAL NON-CURRENT LIABILITIES		-	-
TOTAL LIABILITIES		158,388	116,820
NET ASSETS		153,006	609,635
EQUITY			
Retained profits	10	642,197	609,935
TOTAL EQUITY		642,197	609,935

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 2008

	Note	2008 \$	2007 \$
Cash Flows from Operating Activities			
Receipts from operations		725,415	708,928
Payments to suppliers		(662,347)	(579,577)
Interest received		42,040	40,094
Net cash used in operating activities	12(b)	105,108	169,445
Cash Flows from Investing Activities			
Payment for plant and equipment		(32,171)	-
Proceeds from sale of plant and equipment		-	-
Net cash provided by (used in) investing activities		(32,171)	-
Cash flows from Financing Activities			
Net cash used in financing activities		(10,375)	(296)
Net increase/(decrease) in cash held		62,562	169,149
Cash at beginning of the financial year		674,937	505,788
Cash at end of the financial year	12(a)	737,499	674,937

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 2008

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 2008

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 2008

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

	2008 \$	2007 \$
Note 2: Revenue		
Operating activities:		
- hairdresser's registrations	718,808	699,678
- interest received from other persons	42,040	40,094
- Government vehicle scheme	6,971	6,404
- Insurance recoveries received	-	2,846
	767,819	749,022
Non-Operating activities:		
- Provision for employee entitlements	-	-
Total Revenue	767,819	749,022

Note 3: Loss from ordinary activities

Loss from ordinary activities has been determined after:

a) Expenses:		
Depreciation of property, plant and equipment	17,712	14,658
Remuneration of auditor:		
- Audit or review services	3,840	3,962
Rental on operating leases:		
- minimum lease payments rent	51,326	41,989
- minimum lease payments cars	33,499	34,173
b) Revenue and net gains:		
Net gain/(loss) on disposal of property, plant and equipment	-	-

Note 5: Other Assets

Petty Cash	117	199
Fringe Benefits tax PAYG Instalments	2,470	6,574
GST Net December 07 quarter	5,382	5,556
Pre paid superannuation	1,387	-
	9,356	12,329

THE HAIRDRESSERS' REGISTRATION BOARD

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notes to the financial statements for the year ended 31 december 2008

	2008 \$	2007 \$
Note 6: Property, Plant and Equipment		
Motor Vehicles		
At cost	-	-
Less accumulated depreciation	-	-
	-	-
Plant and Equipment		
At cost	124,067	91,896
Less accumulated depreciation	70,220	(52,508)
	53,847	39,388
	53,847	39,388

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	-	39,388	39,388
Additions	-	32,171	32,171
Less disposals	-	-	-
Less depreciation expense	-	17,712	17,712
Accumulated depreciation eliminated on disposal	-	-	-
Prior year depreciation adjustments	-	-	-
Carrying amount at the end of the financial year	-	53,847	53,847

THE HAIRDRESSERS' REGISTRATION BOARD

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notes to the financial statements for the year ended 31 december 2008

	2008	2007
	\$	\$
Note 7: Payables		
Current		
Trade creditors	-	7,043
Other liability	2,422	3,275
PAYG withholding	5,929	5,409
	8,351	15,727
Note 8: Interest Bearing Liabilities		
Current		
Lease liability	-	-
Non-Current		
Lease liability	-	-
Note 9: Provisions		
Current		
Employee entitlements	150,037	101,093
Non-Current		
Employee entitlements	-	-
Number of full-time employees at year end	7	5
Note 10: Retained profits		
Retained profits at beginning of the financial year	609,935	491,726
Net profit/(loss) attributable to the Board	32,262	118,209
Retained profits at the end of the financial year	642,197	609,935
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	13,868	21,885
- later than one year but not longer than five years	-	-
	13,868	21,885

THE HAIRDRESSERS' REGISTRATION BOARD

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notes to the financial statements for the year ended 31 december 2008

	2008 \$	2007 \$
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	13,868	21,885
- Later than one year but no longer than five years	3,240	21,885
	<hr/> 17,108	<hr/> 21,885

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	117	199
- Cash at bank	737,382	674,738
	<hr/> 737,499	<hr/> 674,937

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

Profit/(Loss) from ordinary activities after income tax	32,262	118,209
Non-cash flows in accumulated surplus from ordinary activities:		
- Non-cash items	-	-
- GST Adjustment	(364)	-
- Depreciation	17,712	14,658
- Changes to provisions	48,943	29,864
- Fringe Benefits Tax	6,555	-
Changes in assets and liabilities:		
- Increase/(Decrease) in trade creditors and accruals	-	6,714
Cash flows from operations	<hr/> 105,108	<hr/> 169,445

THE HAIRDRESSERS' REGISTRATION BOARD

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notes to the financial statements for the year ended 31 december 2008

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		\$	\$
			\$	\$	\$	\$		
	2008	2007	2008	2007	2008	2007	2008	2007
Cash	4.75	4.15	697,248	674,738	-	-	-	-
Trade Debtors			-	-	-	-	-	-
Total Financial Assets			697,248	674,738	-	-	-	-
Payables			-	-	-	-	8,351	15,727
Borrowings			-	-	-	-	-	-
Total Financial Liabilities			-	-	-	-	8,351	15,727

(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

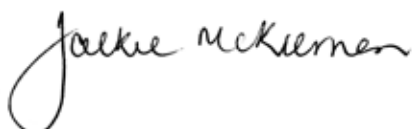
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statement by members of the board

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

1. Presents fairly the financial position of the Hairdressers Registration Board as at 31 December 2008 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 2009.

THE HAIRDRESSERS' REGISTRATION BOARD

ABN: 96 069 148 908

private information for the members on the financial statements

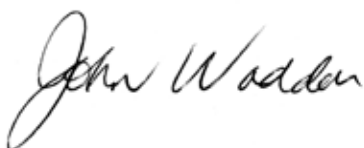
DISCLAIMER

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 2008.

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 2008

	2008 \$	2007 \$
Operating Revenues		
Registration fees – Principals	386,706	359,436
Registration fees – Employees	86,811	95,057
Assessment fees	40,479	47,028
Certificate fees	94,910	93,179
Suspension fees/fines	4,260	4,683
Transfer fees	2,756	3,626
Reinstatement fees	7,831	5,968
Interest received	42,040	40,094
Application fee	94,693	90,701
GST Adjustment	364	-
Government vehicle scheme	6,971	6,404
Insurance recoveries	-	2,846
	767,819	749,022
Operating Expenses		
Accounting fees	700	682
Advertising	3,231	1,658
Audit fees	3,840	3,962
Bank fees	7,701	6,351
Board members fees	17,053	10,450
Cleaning	1,431	1,088
Consultants	25,501	-
Courier charges	343	242
Depreciation	17,712	14,658
Document management	1,441	-
Dues and subscriptions	1,075	-
Electricity	3,179	2,910
Examination expenses	4,055	2,839
Fringe Benefit tax expense	6,555	4,998
General expenses	-	215
GST Adjustment Account	-	-
Insurance	-	5,390
Internet expenses	964	1,798
Legal fees	20,343	33,583
Maintenance	1,886	1,161
Meeting expenses	471	-
Motor vehicle expenses	2,303	3,740
Motor vehicle fleet management	12,133	12,288
Office equipment/expenses	3,892	2,959
Petty cash expenditure	1,610	1,291
Postage	7,510	12,089
Printing and stationery	37,904	49,652
Professional fees	-	11,667
Provision for employee entitlements	48,943	29,864
Publications	54	88
Rent, outgoings and taxes	51,326	41,989
Salaries	322,258	297,856
Software development	14,302	11,244
Staff amenities/training	4,156	1,485
Staff uniforms	5,161	-
Superannuation	28,670	25,652
Telephone	11,103	9,174
Temporary staff	41,528	1,923
Travel and entertainment/mileage	-	3,982
Loss on sale of assets	3,856	-
Motor Vehicle lease payments	21,366	21,885
	735,557	630,813
Total Cost of Services		
Changes in Net Assets Resulting from Operations	32,262	118,209