



HAIRDRESSERS REGISTRATION BOARD
OF
WESTERN AUSTRALIA

ANNUAL REPORT
and
FINANCIAL STATEMENTS

2004

**THE HAIRDRESSERS REGISTRATION BOARD
OF WESTERN AUSTRALIA**

ANNUAL REPORT

2004

**TO THE HONOURABLE JOHN KOBELKE MLA
MINISTER FOR CONSUMER AND
EMPLOYMENT PROTECTION**

Dear Minister

In accordance with Section 14C (1) of the Hairdressers Registration Act 1946, I submit to you a report on the proceedings of the Board for the year ending 31st December 2004.

Yours sincerely

A handwritten signature in black ink, reading "Jackie McKiernan". The signature is written in a cursive style with a large, looping initial "J".

Ms Jackie McKiernan
CHAIRPERSON

30 June 2005

CONTENTS

| | |
|---|---|
| 1. Board Membership | 2 |
| 2. Board Staff..... | 3 |
| 3. Board Auditors..... | 3 |
| 4. Meetings of Board | 3 |
| 5. Strategic Directions Plan | 3 |
| 6. Code of Practice for Occupational Safety & Health..... | 4 |
| 7. Consumer Complaints | 4 |
| 8. Inspections | 4 |
| 9. Registrations | 5 |
| 10. Board Examinations..... | 5 |
| 11. Finances | 6 |
| 12. Sections 175ZE of the Electoral Act 1907 | 6 |
| 13. Conclusion | 6 |

1. BOARD MEMBERSHIP

Appointments to the Board are provided for under the provisions of Section 5 of the Hairdressers Registration Act. This section identifies the various bodies from which nominations to the Board are drawn, and the criteria against which persons are selected.

The Governor appoints the Chairperson, who has no pecuniary interest in hairdressing.

The Governor appoints four other persons, one nominated by the Master Hairdressers Association, one nominated by the Master Ladies Hairdressers Association and two nominated by the Hairdressers and Wigmakers Employees' Union of Workers. Each of those persons shall be a person who has had at least three years experience either as a principal or as an employee (other than an apprentice) in any business in the practice of hairdressing.

On 4 March 2003 the Governor appointed the following persons to the Board for the period ending 31 December 2005.

BOARD MEMBERS (as at 31 December 2004)

Mrs. Jackie McKIERNAN
Chairperson

Ms. Sandra McKNIGHT
Deputy Chairperson

Ms. Gloria RIDOLFO
Member nominated by the Master Hairdressers Association of WA.

Mr. Leslie MARSHALL (Stood Down as Board Member 14 April 2003)
Member nominated by the Master Ladies Hairdressers Association of WA.

Ms. Norma ROBERTS
Member nominated by the Hairdressers and Wigmakers Employees Union of Workers.

Mr. Davide GENOVESE
Member nominated by the Hairdressers and Wigmakers Employees Union of Workers.

DEPUTY MEMBERS (to 31 December 2003)

| | |
|--------------|-------------------------|
| Mr B Berger | Deputy to Mr L Marshall |
| Mr T Viljoen | Deputy to Ms G Ridolfo |
| Ms W Murphy | Deputy to Mr D Genovese |
| Ms C Treacy | Deputy to Ms N Roberts |

2. BOARD STAFF

| | |
|-----------------|--|
| Mr Les Marshall | Registrar (commenced 14/04/2003) |
| Ms J Clarke | Inspector (commenced 18/6/2001) |
| Ms V Jamerzuk | Customer Liaison Officer (commenced 12/6/2001 to 26/08/2004) |
| Mr V McGough | Administration Officer (commenced 19/3/2001) |
| Ms P Richardson | Customer Liaison Officer (commenced 1/12/2003) |

3. BOARD AUDITORS

Lyons Waddell Pty. Ltd.
Level 9, 231 Adelaide Terrace
PERTH WA 6000

4. MEETINGS OF THE BOARD

The Board met on 14 occasions during the period 1 January 2004 to 31 December 2004.

5. STRATEGIC DIRECTIONS PLAN

On 18 June 2001 the Board launched its Strategic Directions Plan for the period 2001 to 2004. The plan, which was developed in conjunction with input from the hairdressing industry, set the strategic direction of the Board over the next three years. The plan is due for review in 2005.

It identified a number of strategies to address three key objectives that the Board wished to achieve over the three-year period. Those objectives are:

- To have the Hairdressers Registration Act 1946 amended to reflect the operations of the Hairdressers Registration Board and the hairdressing industry in a modern society.
- To ensure that all practicing qualified hairdressers in Western Australia are registered under the Hairdressers Registration Act 1946.
- To improve the public standing and the professionalism of the hairdressing industry.

6. CODE OF PRACTICE FOR OCCUPATIONAL SAFETY AND HEALTH IN THE HAIRDRESSING INDUSTRY

During the year, with assistance of an occupational safety and health consultant, the Board continued to progress the development of a code of practice for the hairdressing industry on occupational safety and health.

The code, which will be an easy to understand guide, will assist hairdressers to be aware of their obligations, give guidance about how to manage hazards that may occur in the workplace and provide information about the hazards they may be likely to confront in their daily business.

It is now planned that a Hairdressers Guide to Occupational Safety and Health will be completed and ready for release to the industry by June 2005.

7. CONSUMER COMPLAINTS

The Board has implemented a complaints management system for dealing with consumer complaints against hairdressers that has established formalised complaint handling processes and procedures. Subsequently, the Board took over responsibility for investigating hairdressing consumer complaints from the then Ministry of Fair Trading. In addition, the Board produced, and has distributed to members of the hairdressing industry a complaints handling guide that assists hairdressers in dealing with consumer complaints and sets out the rights and obligations of hairdressers.

During the period from 1 January 2004 to 31 December 2004, the Board handled 33 complaints from consumers in relation to the provision of hairdressing services. Of those complaints all were resolved through conciliation between the consumer and the trader, and all have been finalised.

8. INSPECTIONS

From January 2002 the Board employed two full time inspectors to conduct salon inspections to ensure compliance with the Hairdressers Registration Act 1946. One Inspector resigned on 5/3/03 and, due to budget constraints, has not yet been replaced

The role of Inspectors also includes handling consumer complaints and providing advisory support to hairdressers in the areas of occupational safety and health regulations.

From 1 January 2004 until 31 December 2004, the HRB conducted approximately 1624 inspections, consisting of 1140 salon inspections in the metropolitan area, 233 salons inspections in the country area and a further 251 inspections which included home based salons, mobile hairdressers, Community Centres, Retirement Villages and Aged Care Centres.

9. REGISTRATIONS

As at 31 December 2004 there were 5290 hairdressers registered with the Board. An increase of 47 on the previous year.

Whilst the increase is minimal it would appear to be primarily attributable to the presence of the Board's Industry Inspector visiting salons and other hairdressing workplaces to establish, for the protection of consumers, that those practicing hairdressing are qualified and registered with the Board.

Hairdressers are registered in the following classes:

| | |
|----------------------------------|------|
| Men's Limited | 41 |
| Men's Inclusive | 187 |
| Ladies' Limited | 18 |
| Ladies' Inclusive | 1827 |
| Ladies' Limited/ Men's Limited | 4 |
| Men's Inclusive/ Ladies' Limited | 49 |
| Ladies' Inclusive/ Men's Limited | 675 |
| Combined Hairdressing | 2489 |

A table of the number of hairdressers registered in each classification of hairdressing is attached as Annexure 1.

10. BOARD EXAMINATIONS

Regulation 12 of the Hairdressers Registration Regulations 1965 provides that for the purpose of satisfying itself as to the qualifications of any applicant for registration, the Board may require any applicant to undertake a theoretical, practical or oral examination in any class or classes of hairdressing. This provision is applied where an applicant has, outside of Western Australia, completed an appropriate course of training of a like standard as that prescribed in Western Australia.

During 2004, 114 candidates undertook the Board's theory assessment. The results of the assessments were:

| | |
|-------------------|--------------------------------------|
| First Assessment | 65 Competent 28 Not yet competent |
| Second Assessment | 18 Competent 3 Not yet competent |

During 2004, 138 candidates undertook the Board's practical assessment. The results of the assessments were:

| | |
|-------------------|--------------------------------------|
| First Assessment | 80 Competent 33 Not yet competent |
| Second Assessment | 20 Competent 5 Not yet competent |
| Third Assessment | 0 Competent 0 Not yet competent |

11. FINANCES

In accordance with Section 14 of the Hairdressers Registration Act 1946 a copy of the audited Financial Statements is attached as Annexure 2.

12. SECTION 175ZE OF THE ELECTORAL ACT 1907

During the year the amount of expenditure incurred by the Board was \$ NIL for the following:

- a) Advertising agencies
- b) Market research organisations
- c) Polling organisations
- d) Direct mail organisations
- e) Media advertising organisations.

13. CONCLUSION

The operation of the Board during 2004 was influenced by a number of factors including an increase in the administrative workload that was compounded by insufficient staffing levels to adequately cope under the then current system. In order to resolve this situation, the Board introduced new computer systems and procedures to more effectively monitor and manage initial registration applications and renewals for practicing hairdressers. This also required the implementation of enhanced follow-up procedures to ensure compliance. It is the Board's intention to continue to upgrade and enhance HRB software to streamline its administrative and inspectorial operations.

With the introduction of the above systems and procedures, the Board has already seen an increase in the detection of unqualified and semi-skilled hairdressers practicing within the Board's jurisdiction in Western Australia. This will be further enhanced in 2005 by the reappointment of a second inspector thus ensuring better coverage and representation to the hairdressing industry.

The Board, by comparison with 2003, has experienced a reduction in the level of consumer complaints. This may be an indication that the new strategies are having a positive effect.

The Board, in consultation with the hairdressing industry , will, in 2005, review its strategic directions plan, in order to identify current and future industry and consumer requirements and ensure that its focus remains relevant.

The education of practicing hairdressers and salon owners in Occupational Safety and Health requirements and WorkSafe practices also remains a priority for the Board. This education is seen as essential to reinforce consumer protection and the further development and maintenance of industry standards. The Board is anticipating a very industrious and productive year for 2005.

ANNEXURE 1

REGISTERED HAIRDRESSERS

| CLASS | PRINCIPALS | | | | | | | EMPLOYEES | | | | | | | TOTAL | | | | | | |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 |
| Men's Limited | 100 | 90 | 23 | 24 | 25 | 25 | 26 | 40 | 35 | 15 | 18 | 18 | 14 | 15 | 140 | 125 | 38 | 42 | 43 | 39 | 41 |
| Men's Inclusive | 65 | 70 | 111 | 121 | 138 | 147 | 129 | 44 | 48 | 65 | 67 | 62 | 59 | 58 | 109 | 118 | 176 | 188 | 200 | 206 | 187 |
| Ladies' Limited | 1 | 5 | 5 | 7 | 9 | 7 | 8 | 1 | 5 | 6 | 15 | 15 | 15 | 10 | 2 | 10 | 11 | 22 | 24 | 22 | 18 |
| Ladies' Inclusive | 1285 | 1184 | 1106 | 1121 | 1195 | 1268 | 1252 | 877 | 793 | 708 | 705 | 637 | 619 | 575 | 2162 | 1977 | 1814 | 1826 | 1832 | 1887 | 1827 |
| Ladies' Limited and Men's Limited | 1 | 1 | 1 | 1 | 0 | 1 | 3 | 5 | 2 | 2 | 2 | 2 | 1 | 1 | 6 | 3 | 3 | 3 | 2 | 2 | 4 |
| Men's Inclusive and Ladies' Limited | 37 | 34 | 37 | 38 | 40 | 41 | 39 | 4 | 5 | 7 | 10 | 10 | 10 | 10 | 41 | 39 | 44 | 48 | 50 | 51 | 49 |
| Ladies' Inclusive and Men's Limited | 485 | 481 | 458 | 450 | 475 | 498 | 502 | 214 | 193 | 191 | 192 | 172 | 170 | 173 | 699 | 674 | 649 | 642 | 647 | 668 | 675 |
| Combined (Men's Inclusive & Ladies' Inclusive) | 882 | 988 | 974 | 1051 | 1231 | 1474 | 1628 | 603 | 704 | 705 | 904 | 869 | 894 | 861 | 1485 | 1692 | 1679 | 1955 | 2100 | 2368 | 2489 |
| Total | 2856 | 2853 | 2715 | 2813 | 3113 | 3461 | 3587 | 1788 | 1785 | 1699 | 1913 | 1785 | 1782 | 1703 | 4644 | 4638 | 4414 | 4726 | 4898 | 5243 | 5290 |

ANNEXURE 2

THE HAIRDRESSERS' REGISTRATION BOARD

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2004

TABLE OF CONTENTS

Independent Audit Report

Statement of Financial Performance

Statement of Financial Position

Statement of Cash Flows

Notes to the Financial Statements

Statement by Members of the Board

Disclaimer

Operating Statement

INDEPENDENT AUDIT REPORT
TO THE
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 2004 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.

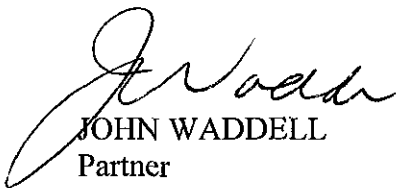
The financial report has been prepared for distribution to members of the Board for the purpose of fulfilling the Board's accountability requirements under the Hairdressers Registration Act 1946-1975.

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 2004, and the results of its operations and its cash flows for the year then ended.



JOHN WADDELL
Partner

Perth, WA

Dated this 4th day of March 2005.

THE HAIRDRESSERS' REGISTRATION BOARD

ABN: 96 069 148 908

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 31 DECEMBER 2004

| | Note | 2004 \$ | 2003 \$ |
|---|-------------|--------------------------|--------------------------|
| Revenues from ordinary activities | 2 | 542,665 | 426,615 |
| Proceeds on sale of non-current assets | | 1,000 | - |
| Loss on disposal of assets | 3 | 31,285 | - |
| Employee expenses | | 285,114 | 254,743 |
| Depreciation and amortisation expenses | 3 | 10,995 | - |
| Other expenses from ordinary activities | | <u>164,475</u> | <u>152,170</u> |
| Net Profit/loss from ordinary activities attributable to the Board | | <u>49,796</u> | <u>19,782</u> |
| Total changes in equity of the Board | | <u>49,796</u> | <u>19,782</u> |

The accompanying notes from part of these financial statements.

THE HAIRDRESSERS' REGISTRATION BOARD**ABN: 96 069 148 908****STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2004**

| | Note | 2004 \$ | 2003 \$ |
|--------------------------------------|-------------|--------------------|--------------------|
| CURRENT ASSETS | | | |
| Cash assets | 12 | 211,140 | 116,787 |
| Other assets | 5 | <u>71</u> | <u>-</u> |
| TOTAL CURRENT ASSETS | | <u>211,211</u> | <u>116,787</u> |
| NON CURRENT ASSETS | | | |
| Plant and equipment | 6 | <u>54,411</u> | <u>68,503</u> |
| TOTAL NON-CURRENT ASSETS | | <u>54,411</u> | <u>68,503</u> |
| TOTAL ASSETS | | <u>265,622</u> | <u>185,290</u> |
| CURRENT LIABILITIES | | | |
| Payables | 7 | 4,855 | 2,397 |
| Interest-bearing liabilities | | - | - |
| Provisions | 9 | <u>56,298</u> | <u>28,219</u> |
| TOTAL CURRENT LIABILITIES | | <u>61,153</u> | <u>30,616</u> |
| NON-CURRENT LIABILITIES | | | |
| Interest-bearing liabilities | | - | - |
| Provisions | 9 | <u>-</u> | <u>-</u> |
| TOTAL NON-CURRENT LIABILITIES | | <u>-</u> | <u>-</u> |
| TOTAL LIABILITIES | | <u>61,153</u> | <u>30,616</u> |
| NET ASSETS | | <u>204,469</u> | <u>154,674</u> |
| EQUITY | | | |
| Retained profits | 10 | <u>204,469</u> | <u>154,674</u> |
| TOTAL EQUITY | | <u>204,469</u> | <u>154,674</u> |

The accompanying notes form part of these financial statements.

THE HAIRDRESSERS' REGISTRATION BOARD**ABN: 96 069 148 908****STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 31 DECEMBER 2004**

| | Note | 2004 \$ | 2003 \$ |
|---|-------|------------|------------|
| Cash Flows from Operating Activities | | | |
| Receipts from operations | | 534,071 | 413,643 |
| Payments to suppliers | | (412,905) | (368,390) |
| Interest received | | 8,594 | 6,448 |
| | | <hr/> | <hr/> |
| Net cash used in operating activities | 12(b) | 129,760 | 51,701 |
| | | <hr/> | <hr/> |
| Cash Flows from Investing Activities | | | |
| Payment for plant and equipment | | (28,188) | (26,980) |
| Proceeds from sale of plant and equipment | | 1,000 | - |
| | | <hr/> | <hr/> |
| Net cash provided by (used in) investing activities | | (27,188) | (26,980) |
| | | <hr/> | <hr/> |
| Cash flows from Financing Activities | | | |
| Net cash used in financing activities | | (8,148) | (34,497) |
| | | <hr/> | <hr/> |
| Net increase/(decrease) in cash held | | 94,424 | (9,776) |
| | | <hr/> | <hr/> |
| Cash at beginning of the financial year | | 116,787 | 126,563 |
| | | <hr/> | <hr/> |
| Cash at end of the financial year | 12(a) | 211,211 | 116,787 |
| | | <hr/> | <hr/> |

The accompanying notes form part of these financial statements.

THE HAIRDRESSERS' REGISTRATION BOARD

ABN: 96 069 148 908

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2004

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

ABN: 96 069 148 908

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2004

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 association, 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

ABN: 96 069 148 908

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2004

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

| | 2004 \$ | 2003 \$ |
|--|---------------|---------------|
| <u>Note 2: Revenue</u> | | |
| Operating activities: | | |
| - hairdresser's registrations | 526,475 | 334,732 |
| - interest received from other persons | 8,594 | 6,448 |
| - Government vehicle scheme | 4,005 | 4,314 |
| - Wages reimbursement | 53,400 | 77,938 |
| - Insurance recoveries received | 3,591 | 973 |
| | <hr/> 596,065 | <hr/> 426,695 |
| Non-Operating activities: | | |
| - Proceeds on sale of non-current assets | <hr/> 1,000 | <hr/> - |
| Total Revenue | <hr/> 607,670 | <hr/> 426,695 |

Note 3: Loss from ordinary activities

Loss from ordinary activities has been determined after:

a) Expenses:

| | | |
|---|---------|-------------|
| Depreciation of property, plant and equipment | 10,995 | 12,498 |
| Remuneration of auditor: | | |
| - Audit or review services | 3,138 | 5,815 |
| Rental on operating leases: | | |
| - minimum lease payments rent | 42,187 | 52,600 |
| - minimum lease payments cars | 16,047 | 16,977 |
| Bad debts | <hr/> - | <hr/> 3,653 |

b) Revenue and net gains:

| | | |
|--|----------------|---------|
| Net gain/(loss) on disposal of property, plant and equipment | <hr/> (30,286) | <hr/> - |
|--|----------------|---------|

Note 5: Other Assets

| | | |
|------------|----------|---------|
| Petty Cash | <hr/> 71 | <hr/> - |
|------------|----------|---------|

THE HAIRDRESSERS' REGISTRATION BOARD

ABN: 96 069 148 908

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2004

| | 2004 \$ | 2003 \$ |
|--|------------|------------|
| Note 6: Property, Plant and Equipment | | |
| Leasehold Improvements | | |
| At cost | - | 55,490 |
| Less accumulated depreciation | - | (44,956) |
| | - | 10,534 |
| At the beginning of the 2002 financial year the total life of the lease was revised downwards from 10 to 5 years due to the decision that the lease would not be renewed. On the 22 July 2004 upon moving office it was decided that the leasehold improvements be scrapped. | | |
| Motor Vehicles | | |
| At cost | - | - |
| Less accumulated depreciation | - | - |
| | - | - |
| Plant and Equipment | | |
| At cost | 80,145 | 156,986 |
| Less accumulated depreciation | 25,734 | (99,017) |
| | 54,411 | 57,969 |
| | 54,411 | 68,503 |

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.

| | Leasehold Improvements \$ | Motor Vehicles \$ | Plant & Equipment \$ | Total \$ |
|--|---------------------------------|-------------------------|----------------------------|-------------|
| Carrying amount at the beginning of financial year | 10,534 | - | 57,969 | 68,503 |
| Additions | - | - | 28,188 | 28,188 |
| Less disposals | (8,767) | - | (22,518) | (31,285) |
| Less depreciation expense | (1,767) | - | (9,228) | (10,995) |
| Depreciation eliminated on disposal | - | - | - | - |
| Prior year depreciation adjustments | - | - | - | - |
| Carrying amount at the end of the financial year | - | - | 54,411 | 54,411 |

On the 22 July 2004 upon moving office it was decided that the Property, Plant and Equipment be reviewed and after a physical inspection, any Plant and Equipment no longer on hand be scrapped.

THE HAIRDRESSERS' REGISTRATION BOARD

ABN: 96 069 148 908

NOTES TO THE FINANCIAL STATEMENTS**FOR THE YEAR ENDED 31 DECEMBER 2004**

| | 2004 \$ | 2003 \$ |
|---|----------------|----------------|
| <u>Note 7: Payables</u> | | |
| Current | | |
| Trade creditors | - | - |
| Other creditors and accruals | - | - |
| GST collected | (1,166) | 559 |
| Superannuation liability | 900 | 1,558 |
| PAYG withholding | 5,120 | 280 |
| | <u>4,854</u> | <u>2,397</u> |
| <u>Note 8: Interest Bearing Liabilities</u> | | |
| Current | | |
| Lease liability | <u>-</u> | <u>-</u> |
| Non-Current | | |
| Lease liability | <u>-</u> | <u>-</u> |
| <u>Note 9: Provisions</u> | | |
| Current | | |
| Employee entitlements | <u>56,298</u> | <u>28,219</u> |
| Non-Current | | |
| Employee entitlements | <u>-</u> | <u>-</u> |
| Number of full-time employees at year end | <u>4</u> | <u>5</u> |
| <u>Note 10: Retained profits</u> | | |
| Retained profits at beginning of the financial year | 154,674 | 134,892 |
| Net profit/(loss) attributable to the Board | <u>49,796</u> | <u>19,782</u> |
| Retained profits at the end of the financial year | <u>204,469</u> | <u>154,674</u> |
| <u>Note 11: Capital and Leasing Commitments</u> | | |
| (a) Operating Lease Commitments | | |
| Non-cancellable operating leases contracted for but not capitalised in the financial statements | | |
| Payable:- | | |
| - not later than one year | 31,000 | 49,292 |
| - later than one year but not longer than five years | <u>-</u> | <u>-</u> |
| | <u>31,000</u> | <u>49,292</u> |

THE HAIRDRESSERS' REGISTRATION BOARD**ABN: 96 069 148 908****NOTES FOR THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2004**

| | 2004 \$ | 2003 \$ |
|--|---------------|---------------|
| <u>Note 11: Capital and Leasing Commitments (cont'd)</u> | | |
| Cancellable operating lease contracted for but not capitalised in the financial statements | | |
| Payable:- | | |
| No later than one year | 20,341 | 17,233 |
| Later than one year but no longer than five years | 20,341 | 17,233 |
| | <u>40,682</u> | <u>34,466</u> |

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 | 71 | 35 |
| Cash at bank | <u>211,140</u> | <u>116,752</u> |
| | <u>211,211</u> | <u>116,787</u> |

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

| | | |
|--|----------------|---------------|
| Profit/(Loss) from ordinary activities after income tax | 49,796 | 19,782 |
| 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 | 10,995 | 12,498 |
| Changes to provisions | 28,080 | 9,746 |
| Changes in assets and liabilities: | | |
| (Increase)/Decrease in receivables | - | 3,625 |
| Increase/(Decrease) in trade creditors and accruals | <u>2,458</u> | <u>6,050</u> |
| Cash flows from operations | <u>129,761</u> | <u>51,701</u> |

THE HAIRDRESSERS' REGISTRATION BOARD

ABN: 96 069 148 908

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2004

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 | 2003 | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 |
| Cash | 4.15 | 4.15 | 211,140 | 116,752 | - | - | - | - |
| Trade Debtors | | | | - | - | - | - | - |
| Total Financial Assets | | | 211,140 | 116,752 | - | - | - | - |
| Payables | | | - | - | - | - | 4,855 | 2,397 |
| Borrowings | | | - | - | - | - | - | - |
| Total Financial Liabilities | | | - | - | - | - | 4,855 | 2,397 |

(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

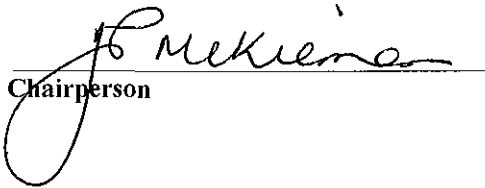
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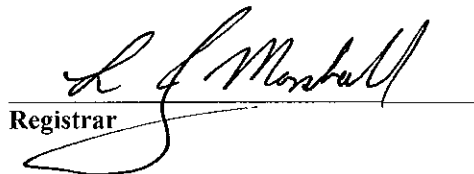
STATEMENT BY MEMBERS OF THE BOARD

In the opinion of the Board the financial report as set out on pages 1 to 10:

1. Presents fairly the financial position of the Hairdressers Registration Board as at 31 December 2004 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 **30** day of **JUNE** 2005.

THE HAIRDRESSERS' REGISTRATION BOARD

ABN: 96 069 148 908

PRIVATE INFORMATION FOR THE MEMBERS

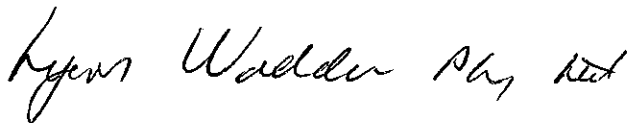
ON THE FINANCIAL STATEMENTS

DISCLAIMER

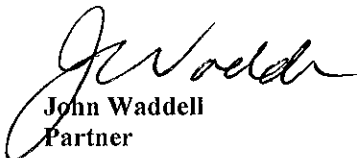
The additional financial data presented on the following page is in accordance with the books and records of the Hairdresser's Registration Board ("our client") which have been subjected to the auditing procedures applied in our statutory audit of the Board for the year ended 31 December 2004.

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 *14th* day of *MARCH* 2005.



Lyons Waddell Pty Ltd
Chartered Accountants



John Waddell
Partner

Perth, WA

THE HAIRDRESSERS' REGISTRATION BOARD

ABN: 96 069 148 908

OPERATING STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2004

| | 2004 \$ | 2003 \$ |
|-------------------------------------|---------------|---------------|
| Operating Revenues | | |
| Registration fees – Principals | 274,667 | 178,937 |
| Registration fees – Employees | 100,911 | 67,106 |
| Assessment fees | 28,177 | - |
| Certificate fees | 66,666 | 46,138 |
| Suspension fees/fines | 1,730 | 1,155 |
| Transfer fees | 3,941 | 2,455 |
| Reinstatement fees | 486 | 14,200 |
| Interest received | 8,594 | 6,448 |
| Application fee | 49,868 | 24,581 |
| Wages reimbursement – Tim Brand | 53,400 | 77,938 |
| Government vehicle scheme | 4,005 | 4,314 |
| Prior year audit adjustments | - | 2,290 |
| Insurance recoveries | 3,591 | 973 |
| Miscellaneous Income | 29 | 161 |
| | <hr/> 596,065 | <hr/> 426,695 |
| Operating Expenses | | |
| Accounting fees | 815 | - |
| Advertising | 635 | 911 |
| Audit fees | 3,138 | 5,815 |
| Bad Debts | - | 3,625 |
| Bank fees | 7,640 | 5,112 |
| Board members fees | 5,359 | 3,653 |
| Cleaning | 790 | 1,740 |
| Courier charges | 55 | 491 |
| Depreciation | 10,995 | 12,498 |
| Electricity | 3,774 | 2,802 |
| Examination expenses | 4,845 | 2,750 |
| Fringe Benefit tax expense | 1,886 | - |
| General expenses | - | 754 |
| Insurance | 3,695 | 4,747 |
| Internet expenses | 1,032 | 487 |
| Lease expenses | 900 | - |
| Legal fees | 12,680 | 1,372 |
| Maintenance | 320 | 513 |
| Meeting expenses | 301 | 1,037 |
| Motor vehicle expenses | 1,064 | 1,031 |
| Office equipment/expenses | 140 | - |
| Petty cash expenditure | 1,017 | 1,758 |
| Postage | 9,585 | 6,009 |
| Printing and stationery | 12,219 | 7,261 |
| Professional fees | 407 | 1,671 |
| Provision for employee entitlements | 28,080 | 9,746 |
| Publications | 519 | 128 |
| Record storage | - | 652 |
| Relocation costs | 6,512 | - |
| Rent, outgoing and taxes | 42,187 | 52,600 |
| Salaries | 285,436 | 242,416 |
| Software development | 626 | 639 |
| Staff amenities/training | 2,304 | 220 |
| Superannuation | 19,375 | 12,327 |

| | | |
|--|----------------|----------------|
| Telephone | 7,182 | 4,436 |
| Temporary staff | 21,639 | - |
| Travel and entertainment/mileage | 2,784 | 735 |
| Loss on sale of assets | 30,286 | - |
| Motor Vehicle lease payments | <u>16,047</u> | <u>16,977</u> |
| Total Cost of Services | <u>546,269</u> | <u>406,913</u> |
| Changes in Net Assets Resulting from Operations | <u>49,796</u> | <u>19,782</u> |