

**HAIRDRESSERS REGISTRATION BOARD
OF
WESTERN AUSTRALIA**

**FINAL ANNUAL REPORT
AND
FINANCIAL STATEMENTS
2011**

STATEMENT OF COMPLIANCE

**TO THE HONOURABLE SIMON O'BRIEN MLC, MINISTER FOR FINANCE;
COMMERCE; SMALL BUSINESS.**

Dear Minister

In accordance with Section 23 of the *Hairdressers Registration Act 1946*, I hereby submit for your information and presentation to Parliament the Final Report for the Hairdressers Registration Board of Western Australia.



David Hillyard
ADMINISTRATOR

Dated this 24th day of January 2012

Report from the Administrator

I present this report as the Final Report of the Hairdressers Registration Board of Western Australia.

Responsible Minister

The Honourable Simon O'Brien MLC, Minister for Finance; Commerce; Small Business.

Legislation

The Board was an independent; industry funded statutory authority established under the *Hairdressers Registration Act 1946*, and was responsible to the Minister for Commerce.

In April 2009, the Minister for Commerce announced a proposal to abolish the Hairdressers Registration Board and remove the industry regulatory regime applying to hairdressers. This initiative was endorsed by Cabinet on 28 April 2009.

The removal of the registration scheme recognised that since the *Hairdressers Registration Act 1946* was first introduced, a range of general consumer protection, education, training and occupational safety and health laws have been enacted to provide sufficient regulation of the hairdressing industry.

Laws were passed by Parliament in August 2010 to abolish the Hairdressers Registration Board. Amendments to Section 5 of the *Hairdressers Registration Act 1946* allowed for the appointment of a person to administer the affairs and perform the functions of the Board, and to wind up the Board.

On 1 November 2010, the then Chairman, Mr David Hillyard, was appointed as Administrator and began the winding-up process of the Hairdressers Registration Board.

As at 1 November 2010, the requirement to register as a hairdresser in Western Australia ceased. Industry participants who had been registered up until that time were provided with regular updates on the winding up process of the Board and information on frequently asked questions were provided to industry participants.

In accordance with the legislated reporting requirements the Board and subsequently the Administrator, is required to report on a number of matters associated with the activities conducted under the Act. The Annual Report of the Hairdressers Registration Board for the year ending December 2010 was tabled in Parliament in May 2011.

As previously reported, the registration and compliance activity ceased as at 1 November 2010 and therefore during the current reporting year of 2011:

- there were no investigations or inquiries conducted and there are no outstanding matters;
- no proceedings were brought before the State Administrative Tribunal during the period of winding-up; and
- no trends, forecasts or operational improvements were required.

Winding up of the Board

The office equipment and minor assets of the Hairdressers Registration Board were disposed of by public auction in January 2011 and the office space was vacated in February 2011. Funds realised from the sale of assets were retained in the accounts of the Board.

The Board records have been retained in accordance with the retention and disposal policy approved under the *State Records Act 2000*. The Department of Commerce has undertaken to manage the records and the Board has paid for the anticipated storage costs for the remaining 10 years of records management.

The seven employees of the Hairdressers Registration Board were offered redundancy packages in accordance with the public sector standards. Four staff accepted an offer of redundancy and left the Board in November and December 2010. The remaining three employees were managed as redeployees but were unsuccessful in obtaining permanent placements with other government agencies during 2011. The Department of Commerce agreed (subject to the payment of twelve months salary and leave entitlements) to accept the remaining staff as permanent employees in December 2011.

The Financial statements of the Hairdressers Registration Board have been prepared and form part of this final report.

Auditors

The Administrator engaged Lyons Waddell Pty Ltd as auditors for the 2011 Financial Statements.

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



David Hillyard
ADMINISTRATOR

**HAIRDRESSERS REGISTRATION
BOARD OF WESTERN AUSTRALIA**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31st DECEMBER 2011**

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 2011 pages 1 to 12. The Administrator responsible for winding-up the Board is 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 Administrator.

The financial report has been prepared for distribution to the Administrator for the purpose of fulfilling the accountability requirements under the Hairdressers Registration Act 1946.

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 2011, and the results of its operations and its cash flows for the year then ended.

JOHN WADDELL
Partner

Perth, WA

Dated this day of 2012.

HAIRDRESSERS REGISTRATION BOARD OF WA**ABN: 96 069 148 908****STATEMENT OF COMPREHENSIVE INCOME****FOR THE YEAR ENDED 31 DECEMBER 2011**

	Note	2011	2010
		\$	\$
COST OF SERVICES			
Revenue			
Revenues from ordinary activities	2	29,794	762,499
		<u>29,794</u>	<u>762,499</u>
Expenses			
Employee expenses	1(f)(ii), 4	392,607	591,906
Depreciation and amortisation expenses	3	0	15,763
Assets written off	3	0	5,257
Assets transferred	3	0	3,259
Loss on sale of assets	3	18,034	0
Other expenses from ordinary activities		88,764	218,344
		<u>499,406</u>	<u>834,529</u>
SURPLUS/(DEFICIT) FOR THE PERIOD	11(b)	<u>(469,612)</u>	<u>(72,030)</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>(469,612)</u>	<u>(72,030)</u>

HAIRDRESSERS REGISTRATION BOARD OF WA**ABN: 96 069 148 908****STATEMENT OF FINANCIAL POSITION****FOR THE YEAR ENDED 31 DECEMBER 2011**

	Note	2011	2010
		\$	\$
CURRENT ASSETS			
Cash assets	11(a), 12	307,672	772,617
Other assets	5	24,909	23,723
Equipment held for sale	6, 7(a)	0	21,052
TOTAL CURRENT ASSETS		<u>332,581</u>	<u>817,392</u>
NON CURRENT ASSETS	7(b)	<u>0</u>	<u>0</u>
TOTAL ASSETS		<u>332,581</u>	<u>817,392</u>
CURRENT LIABILITIES			
Payables	8	97,863	11,256
Provisions	9	0	101,806
TOTAL CURRENT LIABILITIES		<u>97,863</u>	<u>113,062</u>
NON CURRENT LIABILITIES		<u>0</u>	<u>0</u>
TOTAL LIABILITIES		<u>97,863</u>	<u>113,062</u>
NET ASSETS		<u>234,718</u>	<u>704,330</u>
EQUITY			
Retained profits	10	704,330	776,360
Current year earnings / (loss)		(469,612)	(72,030)
TOTAL EQUITY		<u>234,718</u>	<u>704,330</u>

HAIRDRESSERS REGISTRATION BOARD OF WA

ABN: 96 069 148 908

CASH FLOW STATEMENT**FOR THE YEAR ENDED 31 DECEMBER 2011**

	Note	2011 \$	2010 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(392,607)	(591,895)
Payments to suppliers		(103,963)	(200,145)
Receipts			
Receipts from operations		2,865	738,612
Interest received		26,929	23,887
Net cash provided by/(used) in operating activities	11(b)	<u>(466,777)</u>	<u>(29,541)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of non current assets	7(b)	<u>0</u>	<u>0</u>
Net cash provided by/(used in) investing activities		<u>0</u>	<u>0</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
		<u>1,832</u>	<u>(29,472)</u>
Net cash provided by/(used in) financing activities		<u>1,832</u>	<u>(29,472)</u>
Net increase/(decrease) in cash and cash equivalents		(464,945)	(59,013)
Cash and cash equivalents at beginning of the period		<u>772,617</u>	<u>831,630</u>
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	11(a)	<u><u>307,672</u></u>	<u><u>772,617</u></u>

HAIRDRESSERS REGISTRATION BOARD OF WA

ABN: 96 069 148 908

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

Note 1: Summary of Significant Accounting Policies

i) The financial statements constitute a general purpose financial statement which has been prepared in accordance with Accounting Standards, the Framework, Statement of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial report covers the Hairdressers Registration Board of Western Australia, 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 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 in the preparation of the financial statements.

a) Income Tax

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

b) Property, Plant and Equipment

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

The carrying amount of plant and equipment were reviewed annually to ensure it was not in excess of the recoverable amount from those assets. The recoverable amount was assessed on the basis of the expected net cash flows which would be received from the assets employment and subsequent disposal. The expected net cash flows were not discounted to present values in determining the recoverable amount.

c) Depreciation

The depreciable amount of all fixed assets was depreciated over the useful lives of the assets from the time the asset was held ready to use. Leasehold improvements were depreciated over the 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 were:

- Office Equipment 15.00%
- Motor Vehicles 22.50%
- Computer Equipment 40.00%
- Leasehold Improvements Over the period of the lease

HAIRDRESSERS REGISTRATION BOARD OF WA

ABN: 96 069 148 908

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

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

d) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, were transferred to the Board, were classified as finance leases. Finance leases were capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Leased assets were depreciated on a straight line basis over the estimated useful lives where it was likely that the Board obtained ownership of the asset or over the term of the lease. Lease payments were 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 remained with the lessor, were charged as expenses in the periods in which they were incurred.

e) Revenue

Revenue from the registration of hairdressers was recognised upon the receipt of funds.

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

All revenue was stated net of goods and services tax (GST).

f) Employee Entitlements

Provision were made for the 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 to be settled after one year, were measured at their nominal amount. Long service leave vested to employees after seven years service. All entitlements were paid to the Department of Commerce upon the transfer of the Board's staff in accordance with Treasury's Instruction 520.

g) 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.

HAIRDRESSERS REGISTRATION BOARD OF WA

ABN: 96 069 148 908

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

	2011 \$	2010 \$
<u>Note 2: Revenue</u>		
Operating activities:		
Hairdresser fees	65	731,592
Interest received	26,929	23,887
Government vehicle scheme	1,303	7,020
Other revenue	1,497	0
	<u>29,794</u>	<u>762,499</u>
Total Revenue	<u>29,794</u>	<u>762,499</u>
<u>Note 3: Loss from ordinary activities</u>		
Loss from ordinary activities has been determined after:		
Depreciation of plant and equipment	0	15,763
Write off of equipment	0	5,257
Transfer of equipment	0	3,259
Loss on sale of assets	18,034	0
<u>Note 4: Employee Expenses</u>		
Salaries and wages	169,880	458,490
1 years salary for 3 HRB staff transferred (a)(b)	207,551	0
Superannuation	15,177	34,998
Redundancy payment	0	98,418
(a) 2 HRB employees transferred to the Department of Commerce as at 11/11/11	<u>392,607</u>	<u>591,906</u>
(b) 1 HRB employee transferred to the Department of Commerce as at 6/1/12		
<u>Note 5: Other Assets</u>		
FBT instalments	0	5,286
GST receivable	24,909	3,880
Pre paid superannuation	0	14,497
Payroll deduction	0	60
	<u>24,909</u>	<u>23,723</u>

HAIRDRESSERS REGISTRATION BOARD OF WA

ABN: 96 069 148 908

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

	2011 \$	2010 \$
	<u> </u>	<u> </u>
<u>Note 6: Property, Plant and Equipment</u>		
Plant and Equipment		
At cost	0	133,212
Accumulated depreciation	0	(103,644)
Written off	0	(5,257)
Transferred to state government	0	(3,259)
	<u> </u>	<u> </u>
	0	21,052
	<u> </u>	<u> </u>

Note 7: Office Equipment Held for Sale

a) Laws were passed by Parliament in August 2010 to abolish the Hairdressers Registration Board of WA. As a result the assets were reclassified in 2010 as "Held for Sale" pursuant to AASB5 and then sold by auction in 2011

0	21,052
<u> </u>	<u> </u>
0	21,052
<u> </u>	<u> </u>

b) Reconciliation of carrying amounts

Reconciliation of the carrying amounts of plant & equipment at the beginning and end of the reporting period are set out below.

Carrying amount at the start of the year	0	45,331
Additions	0	0
Reclassified as "Held for Sale" - AASB5	0	(21,052)
Depreciation	0	(15,763)
Written off	0	(5,257)
Transferred	0	(3,259)
	<u> </u>	<u> </u>
Carrying amount at the end of the reporting period	0	0
	<u> </u>	<u> </u>

HAIRDRESSERS REGISTRATION BOARD OF WA

ABN: 96 069 148 908

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

	2011 \$	2010 \$
<u>Note 8: Payables</u>		
Current		
Trade Creditors	0	1,209
Auditor Fees	1,650	0
Other liability (a)	96,213	7,851
PAYG withholding	<u>0</u>	<u>2,196</u>
	<u>97,863</u>	<u>11,256</u>
(a) 1 years salary plus leave entitlements payable for 1 staff member transferring to the Department of Commerce as at 6/1/12		
<u>Note 9: Provisions</u>		
Current		
Employee entitlements	<u>0</u>	<u>101,806</u>
	<u>0</u>	<u>101,806</u>
Number of full-time employees at year end	<u>0</u>	<u>3</u>
The 3 remaining employees transferred to the Department of Commerce and their entitlements were also transferred to that Department (T.I. 520)		
<u>Note 10: Retained profits</u>		
Retained profits at beginning of the financial year	704,330	776,360
Current Year earnings	<u>(469,612)</u>	<u>(72,030)</u>
Retained profits at the end of the financial year	<u>234,718</u>	<u>704,330</u>

HAIRDRESSERS REGISTRATION BOARD OF WA

ABN: 96 069 148 908

NOTES FOR THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

	2011	2010
	\$	\$
<u>Note 11: Notes to the Statement of Cash Flows</u>		
(a) <u>Reconciliation of Cash</u>		
Cash at the end of the financial year as shown in the cashflow statement is reconciled to the related items in the statement of financial position		
Cash at bank	<u>307,672</u>	<u>772,617</u>
	<u>307,672</u>	<u>772,617</u>
(b) <u>Reconciliation of Cash Flow from operations with surplus/(deficit) for the period</u>		
Surplus/(Deficit) for the period	(469,612)	(72,030)
Non-cash items	86,607	16,437
Depreciation & amortisation	0	15,763
Write offs	0	5,257
Transfers	0	3,259
Loss on sale of assets	18,034	0
Changes to provisions	(101,806)	11
Fringe Benefits Tax	<u>0</u>	<u>1,762</u>
Net cash provided by/(used) in operating activities	<u>(466,777)</u>	<u>(29,541)</u>

HAIRDRESSERS REGISTRATION BOARD OF WA**ABN: 96 069 148 908****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2011****NOTE 12: Financial Instrument Disclosure****(a) Interest Rate Exposure**

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 assets and financial liabilities is as follows:

	Weighted Avg Effective Interest Rate		Fixed Interest Rate Maturing				Non-Interest Bearing	
	2011 %	2010 %	Within Year		1 to 5 Years		2011 \$	2010 \$
			2011 \$	2010 \$	2011 \$	2010 \$		
Cash	4.43	2.71	307,672	772,571	-	-	-	-
Receivables			-	-	-	-	24,909	3,880
Total Financial Assets			307,672	772,571	-	-	-	-
Payables			-	-	-	-	97,863	11,256
Borrowings			-	-	-	-	-	-
Total Financial Liabilities			-	-	-	-	97,863	11,256

(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 statements.

(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.

HAIRDRESSERS REGISTRATION BOARD OF WA

ABN: 96 069 148 908

STATEMENT BY THE ADMINISTRATOR

In the opinion of the Administrator the financial statements:

1. Presents fairly the financial position of the Hairdressers Registration Board of Western Australia as at 31 December 2011 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 of Western Australia will be able to pay its debts as and when they fall due.

This statement is signed for and on behalf of the Board by:

The Administrator

Dated this day of 2012

THE HAIRDRESSERS REGISTRATION BOARD

ABN: 96 069 148 908

OPERATING STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2011

	2011	2010
	\$	\$
Operating Revenues		
Registration fees – Principals	0	432,893
Registration fees – Employees	51	76,730
Assessment fees	0	30,280
Certificate fees	14	102,157
Suspension fees/fines	340	6,360
Transfer fees	0	1,684
Reinstatement fees	0	9,777
Interest received	26,929	23,888
Application fee	0	71,710
Government vehicle scheme	1,303	7,020
Other income	1,157	
	29,794	762,499
Operating Expenses		
Accounting fees	4,088	635
Audit fees	1,500	5,350
Bank fees	837	7,833
Board members fees	0	5,510
Cleaning	75	2,040
Courier charges	4,936	124
Depreciation	0	15,763
Assets written off	0	5,257
Transfers to State Gov	0	3,259
Document management	33,092	2,886
Dues and subscriptions	0	1,002
Electricity	501	4,214
Examination expenses	0	4,230
Fringe benefit tax	6,690	7,049
GST adjust	(269)	0
General expenses	0	526
Insurance	2,397	4,828
Internet expenses	119	924
Legal fees	0	15,100
Maintenance	7,270	917
Meeting expenses	0	644
Motor vehicle expenses	1,040	2,982
Motor vehicle fleet management	4,625	10,466
Office equipment/expenses	0	532
Petty cash expenditure	0	1,222
Postage	119	7,795
Printing and stationery	8,020	40,632
Provision for employee entitlements	0	11
Rent, outgoings and taxes	8,823	52,938
Redundancy payments	0	98,418
Salaries	377,431	452,969
Software development	3,128	5,823
Staff amenities/training	0	973
Superannuation	15,177	34,998
Telephone	1,772	11,686
Travel and entertainment/mileage	0	4,318
Loss on sale of assets	18,034	0
Motor vehicle lease payments	0	20,675
Total Cost of Services	499,406	834,529
Total Comprehensive Income for the Period	(469,612)	(72,030)

**HAIRDRESSERS REGISTRATION
BOARD OF WESTERN AUSTRALIA**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31st DECEMBER 2011**

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 2011 pages 1 to 12. The Administrator responsible for winding-up the Board is 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 Administrator.

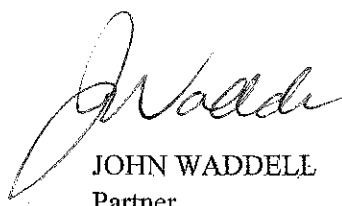
The financial report has been prepared for distribution to the Administrator for the purpose of fulfilling the accountability requirements under the Hairdressers Registration Act 1946.

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 2011, and the results of its operations and its cash flows for the year then ended.



JOHN WADDELL
Partner

Perth, WA

Dated this 23 day of January 2012.

HAIRDRESSERS REGISTRATION BOARD OF WA

ABN: 96 069 148 908

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2011

	Note	2011 \$	2010 \$
COST OF SERVICES			
Revenue			
Revenues from ordinary activities	2	29,794	762,499
		<u>29,794</u>	<u>762,499</u>
Expenses			
Employee expenses	1(f)(ii), 4	392,607	591,906
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		<u>499,406</u>	<u>834,529</u>
SURPLUS/(DEFICIT) FOR THE PERIOD	11(b)	<u>(469,612)</u>	<u>(72,030)</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>(469,612)</u>	<u>(72,030)</u>

HAIRDRESSERS REGISTRATION BOARD OF WA

ABN: 96 069 148 908

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 DECEMBER 2011

	Note	2011 \$	2010 \$
CURRENT ASSETS			
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NON CURRENT ASSETS	7(b)	<u>0</u>	<u>0</u>
TOTAL ASSETS		<u>332,581</u>	<u>817,392</u>
CURRENT LIABILITIES			
Payables	8	97,863	11,256
Provisions	9	0	101,806
TOTAL CURRENT LIABILITIES		<u>97,863</u>	<u>113,062</u>
NON CURRENT LIABILITIES		<u>0</u>	<u>0</u>
TOTAL LIABILITIES		<u>97,863</u>	<u>113,062</u>
NET ASSETS		<u>234,718</u>	<u>704,330</u>
EQUITY			
Retained profits	10	704,330	776,360
Current year earnings / (loss)		(469,612)	(72,030)
TOTAL EQUITY		<u>234,718</u>	<u>704,330</u>

HAIRDRESSERS REGISTRATION BOARD OF WA

ABN: 96 069 148 908

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2011

	Note	2011 \$	2010 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(392,607)	(591,895)
Payments to suppliers		(103,963)	(200,145)
Receipts			
Receipts from operations		2,865	738,612
Interest received		26,929	23,887
Net cash provided by/(used) in operating activities	11(b)	<u>(466,777)</u>	<u>(29,541)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of non current assets	7(b)	<u>0</u>	<u>0</u>
Net cash provided by/(used in) investing activities		<u>0</u>	<u>0</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
		<u>1,832</u>	<u>(29,472)</u>
Net cash provided by/(used in) financing activities		<u>1,832</u>	<u>(29,472)</u>
Net increase/(decrease) in cash and cash equivalents		(464,945)	(59,013)
Cash and cash equivalents at beginning of the period		<u>772,617</u>	<u>831,630</u>
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	11(a)	<u><u>307,672</u></u>	<u><u>772,617</u></u>

HAIRDRESSERS REGISTRATION BOARD OF WA

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

Note 1: Summary of Significant Accounting Policies

i) The financial statements constitute a general purpose financial statement which has been prepared in accordance with Accounting Standards, the Framework, Statement of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial report covers the Hairdressers Registration Board of Western Australia, 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 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 in the preparation of the financial statements.

a) Income Tax

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

b) Property, Plant and Equipment

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

The carrying amount of plant and equipment were reviewed annually to ensure it was not in excess of the recoverable amount from those assets. The recoverable amount was assessed on the basis of the expected net cash flows which would be received from the assets employment and subsequent disposal. The expected net cash flows were not discounted to present values in determining the recoverable amount.

c) Depreciation

The depreciable amount of all fixed assets was depreciated over the useful lives of the assets from the time the asset was held ready to use. Leasehold improvements were depreciated over the 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 were:

- Office Equipment 15.00%
- Motor Vehicles 22.50%
- Computer Equipment 40.00%
- Leasehold Improvements Over the period of the lease

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

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

d) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, were transferred to the Board, were classified as finance leases. Finance leases were capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Leased assets were depreciated on a straight line basis over the estimated useful lives where it was likely that the Board obtained ownership of the asset or over the term of the lease. Lease payments were 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 remained with the lessor, were charged as expenses in the periods in which they were incurred.

e) Revenue

Revenue from the registration of hairdressers was recognised upon the receipt of funds.

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

All revenue was stated net of goods and services tax (GST).

f) Employee Entitlements

Provision were made for the 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 to be settled after one year, were measured at their nominal amount. Long service leave vested to employees after seven years service. All entitlements were paid to the Department of Commerce upon the transfer of the Board's staff in accordance with Treasury's Instruction 520.

g) 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.

HAIRDRESSERS REGISTRATION BOARD OF WA

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

	2011 \$	2010 \$
<u>Note 2: Revenue</u>		
Operating activities:		
Hairdresser fees	65	731,592
Interest received	26,929	23,887
Government vehicle scheme	1,303	7,020
Other revenue	1,497	0
	<u>29,794</u>	<u>762,499</u>
Total Revenue	<u>29,794</u>	<u>762,499</u>

Note 3: Loss from ordinary activities

Loss from ordinary activities has been determined after:

Depreciation of plant and equipment	0	15,763
Write off of equipment	0	5,257
Transfer of equipment	0	3,259
Loss on sale of assets	18,034	0

Note 4: Employee Expenses

Salaries and wages	169,880	458,490
1 years salary for 3 HRB staff transferred (a)(b)	207,551	0
Superannuation	15,177	34,998
Redundancy payment	0	98,418
	<u>392,607</u>	<u>591,906</u>

(a) 2 HRB employees transferred to the Department of Commerce as at 11/11/11

(b) 1 HRB employee transferred to the Department of Commerce as at 6/1/12

Note 5: Other Assets

FBT instalments	0	5,286
GST receivable	24,909	3,880
Pre paid superannuation	0	14,497
Payroll deduction	0	60
	<u>24,909</u>	<u>23,723</u>

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

	2011 \$	2010 \$
<u>Note 6: Property, Plant and Equipment</u>		
Plant and Equipment		
At cost	0	133,212
Accumulated depreciation	0	(103,644)
Written off	0	(5,257)
Transferred to state government	0	(3,259)
	<u>0</u>	<u>21,052</u>
<u>Note 7: Office Equipment Held for Sale</u>		
a) Laws were passed by Parliament in August 2010 to abolish the Hairdressers Registration Board of WA. As a result the assets were reclassified in 2010 as "Held for Sale" pursuant to AASB5 and then sold by auction in 2011	0	21,052
	<u>0</u>	<u>21,052</u>
b) Reconciliation of carrying amounts		
Reconciliation of the carrying amounts of plant & equipment at the beginning and end of the reporting period are set out below.		
Carrying amount at the start of the year	0	45,331
Additions	0	0
Reclassified as "Held for Sale" - AASB5	0	(21,052)
Depreciation	0	(15,763)
Written off	0	(5,257)
Transferred	0	(3,259)
Carrying amount at the end of the reporting period	<u>0</u>	<u>0</u>

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

	2011 \$	2010 \$
<u>Note 8: Payables</u>		
Current		
Trade Creditors	0	1,209
Auditor Fees	1,650	0
Other liability (a)	96,213	7,851
PAYG withholding	0	2,196
	<u>97,863</u>	<u>11,256</u>
(a) 1 years salary plus leave entitlements payable for 1 staff member transferring to the Department of Commerce as at 6/1/12		
<u>Note 9: Provisions</u>		
Current		
Employee entitlements	<u>0</u>	<u>101,806</u>
	<u>0</u>	<u>101,806</u>
Number of full-time employees at year end	<u>0</u>	<u>3</u>
The 3 remaining employees transferred to the Department of Commerce and their entitlements were also transferred to that Department (T.L. 520)		
<u>Note 10: Retained profits</u>		
Retained profits at beginning of the financial year	704,330	776,360
Current Year earnings	<u>(469,612)</u>	<u>(72,030)</u>
Retained profits at the end of the financial year	<u>234,718</u>	<u>704,330</u>

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NOTES FOR THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

	2011 \$	2010 \$
Note 11: Notes to the Statement of Cash Flows		
(a) <u>Reconciliation of Cash</u>		
Cash at the end of the financial year as shown in the cashflow statement is reconciled to the related items in the statement of financial position		
Cash at bank	307,672	772,617
	<u>307,672</u>	<u>772,617</u>
(b) <u>Reconciliation of Cash Flow from operations with surplus/(deficit) for the period</u>		
Surplus/(Deficit) for the period	(469,612)	(72,030)
Non-cash items	86,607	16,437
Depreciation & amortisation	0	15,763
Write offs	0	5,257
Transfers	0	3,259
Loss on sale of assets	18,034	0
Changes to provisions	(101,806)	11
Fringe Benefits Tax	0	1,762
Net cash provided by/(used) in operating activities	<u>(466,777)</u>	<u>(29,541)</u>

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

NOTE 12: Financial Instrument Disclosure

(a) Interest Rate Exposure

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 assets and financial liabilities is as follows:

	Weighted Avg Effective Interest Rate		Fixed Interest Rate Maturing				Non-Interest Bearing	
	2011 %	2010 %	Within Year		1 to 5 Years		2011 \$	2010 \$
			2011 \$	2010 \$	2011 \$	2010 \$		
Cash	4.43	2.71	307,672	772,571	-	-	-	-
Receivables			-	-	-	-	24,909	3,880
Total Financial Assets			307,672	772,571	-	-	-	-
Payables			-	-	-	-	97,863	11,256
Borrowings			-	-	-	-	-	-
Total Financial Liabilities			-	-	-	-	97,863	11,256

(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 statements.

(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.

HAIRDRESSERS REGISTRATION BOARD OF WA

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STATEMENT BY THE ADMINISTRATOR

In the opinion of the Administrator the financial statements:

1. Presents fairly the financial position of the Hairdressers Registration Board of Western Australia as at 31 December 2011 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 of Western Australia will be able to pay its debts as and when they fall due.

This statement is signed for and on behalf of the Board by:



The Administrator

Dated this 26 day of January 2012

THE HAIRDRESSERS REGISTRATION BOARD

ABN: 96 069 148 908

OPERATING STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2011

	2011 \$	2010 \$
Operating Revenues		
Registration fees – Principals	0	432,893
Registration fees – Employees	51	76,730
Assessment fees	0	30,280
Certificate fees	14	102,157
Suspension fees/fines	340	6,360
Transfer fees	0	1,684
Reinstatement fees	0	9,777
Interest received	26,929	23,888
Application fee	0	71,710
Government vehicle scheme	1,303	7,020
Other income	1,157	
	<u>29,794</u>	<u>762,499</u>
Operating Expenses		
Accounting fees	4,088	635
Audit fees	1,500	5,350
Bank fees	837	7,833
Board members fees	0	5,510
Cleaning	75	2,040
Courier charges	4,936	124
Depreciation	0	15,763
Assets written off	0	5,257
Transfers to State Gov	0	3,259
Document management	33,092	2,886
Dues and subscriptions	0	1,002
Electricity	501	4,214
Examination expenses	0	4,230
Fringe benefit tax	6,690	7,049
GST adjust	(269)	0
General expenses	0	526
Insurance	2,397	4,828
Internet expenses	119	924
Legal fees	0	15,100
Maintenance	7,270	917
Meeting expenses	0	644
Motor vehicle expenses	1,040	2,982
Motor vehicle fleet management	4,625	10,466
Office equipment/expenses	0	532
Petty cash expenditure	0	1,222
Postage	119	7,795
Printing and stationery	8,020	40,632
Provision for employee entitlements	0	11
Rent, outgoings and taxes	8,823	52,938
Redundancy payments	0	98,418
Salaries	377,431	452,969
Software development	3,128	5,823
Staff amenities/training	0	973
Superannuation	15,177	34,998
Telephone	1,772	11,686
Travel and entertainment/mileage	0	4,318
Loss on sale of assets	13,034	0
Motor vehicle lease payments	0	20,675
Total Cost of Services	499,406	834,529
Total Comprehensive Income for the Period	(469,612)	(72,030)