

2010
annual
report



HITO

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EMILY FREW

HITO APPRENTICE OF THE YEAR 2010

EMILY FREW

“ I’M EXCITED ABOUT THE POSSIBILITY OF REPRESENTING APPRENTICES ”

HITO TRAINING SALON OF THE YEAR 2010

REDS HAIRDRESSING

“ TRAINING IS AN INVESTMENT FOR THE FUTURE - FOR THE SALON & THE INDIVIDUAL ”



FLEUR JAMES & JANINE JENSEN REPRESENTING REDS HAIRDRESSING



MOANA RIDDELL

JASMINE MCBETH MEMORIAL SCHOLARSHIP 2010

MOANA RIDDELL

“ IT’S MORE THAN JUST A JOB. IT’S WHAT I HAVE ALWAYS WANTED TO DO. IT’S WHO I AM ”

HITO TUTOR OF THE YEAR 2010

CHRIS LETHBRIDGE

“ IT’S ALL ABOUT TAKING THE TRAINING BACK TO THE SALON FLOOR ”

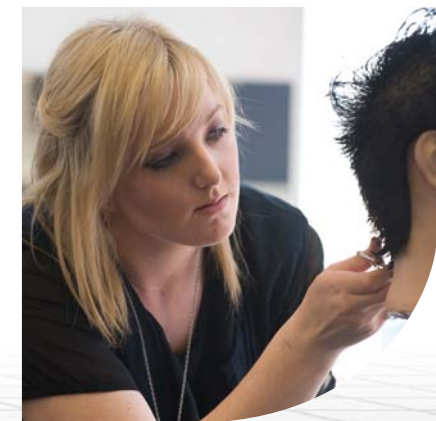


CHRIS LETHBRIDGE

NEW ZEALAND WORLDSKILLS GOLD MEDALIST 2010

LAURA SIMPSON

“ WORLDSKILLS TRAINING TEACHES YOU SO MUCH. IT’S INSPIRED & MOTIVATED ME & IT IS DEFINITELY ONE OF THE BEST THINGS I HAVE EVER DONE ”



LAURA SIMPSON



CHAIRPERSON REPORT

Allison Murray | HITO Chairperson



The HITO Board spent much of 2010 focusing on the HITO Constitution Review and subsequent draft documents. The Board has grappled with the 'big picture' or Strategic Plan as to the best way forward in planning for HITO and our industries future. An extensive consultation process has seen many hours and many dollars consumed. One of the key challenges for the Board has been how to ensure that HITO is well placed for its future growth and development while meeting the needs of the various stakeholders.

Further challenges have emerged with there being misunderstanding about the roles and relationship between HITO and NZARH. Both organisations have significant roles to play in the hairdressing industry and while sister organisations, we became two separate bodies back in 2001.



The Tertiary Education Commission (TEC) is in the process of implementing targeted reviews of ITO's. All ITO's are under scrutiny from TEC, some have been audited and funding has been reviewed. HITO is seen as a high performing ITO and the Board wish for this to continue. TEC has stated that 30% of industry cash contribution is the minimum that it expects from each ITO. This is the government's mandate and confirmation that industries are supporting qualifications and training within their sector. The result of this will mean that HITO will have to look to industry to raise our level of industry cash contribution beyond what employers and apprentices are currently paying. Also as part of TEC's audit processes they are promoting more interaction between themselves and Board chairs in order to give Boards a clearer picture of their expectations with attention being paid to how ITOs are operating.



In 2010, our WorldSkills planning came to fruition. After recent years of training experienced hairdressers to provide them with skills to train apprentices in the techniques required for WorldSkills, it was pleasing to see the results at the national competitions held in Christchurch. The whole process was rewarding and a sound step forward to skills training that HITO is supporting. Though Christchurch had experienced the devastation of a 7.1 earthquake, WorldSkills went ahead as planned. After three days of magnificent hairdressing the gold medal was awarded to Laura Simpson from Dunedin.

The Board wish to acknowledge the contribution that Niq James has made to the success of WorldSkills and wishes Laura all the best for London in 2011.



THE WHOLE PROCESS WAS EXCITING AND REWARDING AND A SOUND STEP FORWARD TO SKILLS TRAINING THAT HITO IS SUPPORTING



HITO has been the standard setting body for the beauty industry for two years which includes the development of the beauty qualifications. The target of having our first trainees in 2011 remains a large focus. All the work done in 2010 will help to enable this to happen. The Board met with stakeholders from the beauty industry during the year where they reiterated their support of having workplace learning as part of the attainment of some qualifications. The beauty industry is pleased with the progress towards this. The presence of Jaye Clark, HITO's co-opted Board member, has been immeasurable. Jaye brings her experience of other Boards that she is active in. She also has a wealth of knowledge of the beauty industry both as an employer and from the provider world, both polytechnic and private. Her passion for training and qualifications in the beauty industry plus hours of work on the Beauty Advisory Group mean that HITO is well placed for the introduction of beauty trainees.

My thanks to Nelson/Marlborough association for their nomination of

Blair Astwood at the 2010 AGM. Blair's accounting background plus his industry position has delivered financial knowledge to the Board in a most practical sense.

The awards weekend in Christchurch was an outstanding success. Even with the change of date and all the problems that went with that it was great to see the success of the joint venture. From the excellence in training and business on the Saturday night to the creative 'wow' of Sunday the whole weekend was a great showcase for our industry.



The crowd at the Awards Event

CHIEF EXECUTIVE OFFICER REPORT

Erica Cumming | Chief Executive Officer



2010 has been a continued year of challenge for the economy with the effects of budget cuts being more apparent across New Zealand. This has influenced employers' decisions to recruit additional staff including apprentices. The result has been slightly fewer Modern Apprentices being signed on than anticipated. However salons with a clear strategy on training and staff development have continued to lead the way. There have been a greater number of people gaining their qualification with 262 new graduates.

Targeted Review of Qualifications

With the change of minister for tertiary education there has been a lot of focus on the number of qualifications available in New Zealand. It is felt that over 5000 qualifications for a country the size of New Zealand is too many and that this may be creating confusion for those entering tertiary education. With that in

mind, NZQA conducted a review of the qualifications and have identified areas of focus to start to reduce the number. As hairdressing has a large number of training providers, who offer local programmes, along with the national qualifications that HITO registers, hairdressing has been deemed an industry with far too many qualifications.

The review document identified the desire to have learners able to gain their qualification through any path. If this occurs it would have an impact on the current hairdressing and barbering qualifications. Initial feedback has been sought from industry to ascertain their views of the qualification structure.

HITO received over 2000 signatures identifying that industry wanted to retain the two final units and that these should remain part of the

Level 4 Hairdressing qualification and not be assessed by the providers.

Work on this review will be undertaken during 2011.

WorldSkills

Regional competitions were held in four regions with 33 competitors. This was a new type of work and challenged all of them. WorldSkills sets an age restriction for those competing to be under 23 years at the time of the world competition. Niq James has provided great leadership and direction to this competition. We were also fortunate to have a number of regional judges involved in the competitions and also to have the Australian WorldSkills expert judge the nationals along with three other NZ judges.



SALONS WITH A CLEAR STRATEGY ON TRAINING AND STAFF DEVELOPMENT HAVE CONTINUED TO LEAD THE WAY

The national competition was held at the end of September, originally to be held as a forerunner to the Industry Awards and Supremes.

This competition was a first for HITO. Hairdressing had amongst the largest group of competitors with 11 young women from around New Zealand competing. This was a three day event covering six different disciplines of style requirements including men's and women's work all carried out on mannequins. Congratulations to all of the competitors, but special note to Stephanie Winter, (bronze), Deniece Walters, (silver) and the gold placing, Laura Simpson. Laura will be representing New Zealand in London in October 2011.

Awards

The Industry Awards were held in conjunction with Kitomba and NZARH in October. Initially the event was planned in Christchurch to combine with the WorldSkills events. Although the date was changed, Christchurch remained the destination for the awards. While

the numbers attending were less than anticipated, due to the date change, the feedback from those who attended has been extremely positive. The Awards again provided the chance to recognise the achievement of apprentices, training salons and tutors. The family of Jasmine McBeth Memorial Scholarship recipients has now grown to include Moana Riddell. The photographic event continues to provide apprentice hairdressers the opportunity to undertake training and present a photo of their interpretation of a style.

With the awards being a combined event this meant that the costs of running such a prestigious event were shared. With the change of date there were some who were then unable to attend.

Recognising the devastation that some Christchurch salons who employ

CHIEF EXECUTIVE OFFICER REPORT *CONTINUED*

Erica Cumming | Chief Executive Officer



apprentices experienced, HITO offered those most affected a few tickets for the awards. This was a small thing that HITO could do to provide support and boost morale to those experiencing real challenges. Those who took up the offer were exceptionally grateful and will be looking at attending the 2011 awards.

There were great speakers on the Sunday. Although numbers attending were less than hoped for, those who did attend found these invaluable for their business.

Plans are already underway for the 2011 Awards evening on 20th November with WorldSkills nationals being held leading up to that event.

IPSN Graduation

After many years of talks and negotiations the International Professional Standards Network (ipSN) held their inaugural graduation ceremony in Auckland.

Graduates from South Africa, Australia and New Zealand were proud to receive their certificate and know that this carries international recognition.

Work continues to encourage other countries to participate in the mapping process so that their qualifications can also be recognised.

Beauty

Work and liaison with the Beauty industry continues for HITO to gain a thorough understanding of the beauty sector. The results of change can be slow to see and the beauty industry has been patient as HITO reviews the qualifications. One of the future challenges for the beauty industry will be how to encompass on job training to ensure that their trainees and employees have the commercial skills required to be effective and safe operators within their salons/clinics.

Tertiary Education Commission (TEC)

At the end of 2010 TEC released figures about the achievement status of ITOs. HITO rated 2nd across all ITOs in credit achievement and 9th in qualification completion in 2009. This recognises the positive policies that HITO has in place to support apprentices. While there were good results for qualification completion, this was lower than HITO would wish for. This provides focus for improving the number of people gaining a national qualification which was evident in the completion numbers in 2010.

Looking forward, at a time when the country is gearing up for an influx of visitors for the Rugby World Cup and the economy begins to turn, it is critical for our industries to focus on ensuring that their staff are prepared with the right skills and knowledge. While it may seem that



training is a cost, the Return on Investment research commissioned by HITO in 2010 clearly identified that salons financially benefit from employing and training apprentices. At a time when business may be slower there is no better time to invest in high quality training to build a positive culture and skill base within the salon.

The proposed changes to the HITO constitution have provided the opportunity for me to spend more time with members in their regions. While some of the time has been challenging, I have been charged with sharing the proposed changes. It has been heartening to hear that the majority of those attending the meetings support HITO in industry training.

I wish to thank the HITO Board for their leadership over 2010 at a time where there is much change in tertiary education. I also wish to thank the HITO team for their inspirational commitment and dedication to the industries that we represent.

AT A TIME WHEN BUSINESS MAY BE SLIGHTLY SLOWER THERE IS NO BETTER TIME TO INVEST IN HIGH QUALITY TRAINING TO BUILD A POSITIVE CULTURE AND SKILL BASE WITHIN THE SALON



NATIONAL QUALITY ASSURANCE MANAGER REPORT

Jason Hare | National Quality Assurance Manager



Jason Hare



I am pleased to look back over the last 12 months and see that the Quality Assurance Team has successfully concluded the first year of moderation for the barbering, beauty and hairdressing industries.

Moderation of training providers and industry assessors remains the core activity to ensure assessment requirements are met. This year we have included paper based and site visits to Beauty training providers. Thank you to Kerry, Tania, Margaret and Lorna for their work over the year.

The beauty standards are in review at present and the National Certificate in Beauty Services (Nail Technology) is in the final stages of review ready for NZQA registration. The focus of this qualification is to ensure the skills assessed reflect commercial reality. The work started by the Beauty Advisory Group continues

in reviewing the National Certificate in Beauty Services for cosmetology and electrology as well as looking at areas where new qualifications can potentially be developed. The feedback from industry during this review has been encouraging and the advisory group is looking forward to another progressive year in 2011.

The Hair Advisory group has continued developing skill specific, higher level unit standards and qualifications following feedback from industry. The National Certificate in Hairdressing (Advanced Cutting) has been the first to be registered. We have developed a learning package for this that can be delivered online.

Further qualifications including Advanced Colouring, Training and Competition are being developed and we anticipate the roll out of these qualifications and programmes over the next 12 months.

The NZQA targeted review of qualifications is ongoing and hairdressing remains one of three areas of focus. NZQA has confirmed plans for a forum of industry representatives to discuss the hairdressing qualifications. We have had outstanding responses to the request for support sent out early in the year and this feedback will be used as part of the forum evidence. HITO will continue to provide feedback to NZQA directly, in combination with the Industry Training Federation and the Services Industry Training Alliance on the impact of the review on industry qualifications.

One of the highlights of the year was the finalisation of the international benchmarking and graduation of the first group of recipients in November. This is the culmination of years of work



for HITO as a member of the International Professional Standards Network. This will now provide a model for other industries. Work has begun on benchmarking the beauty qualifications which will be valuable for qualification review and development in New Zealand.

The work on literacy continues with a literacy profile being developed for the Beauty Industry to enable a clearer picture of the literacy requirements of this industry. This can highlight where training and qualifications need to focus on literacy skills.

HITO and Workbase have been developing an interactive tool for salons to assist in dealing with some of the literacy frustrations experienced while training in the salon.

As a member of the Services Industry Training Alliance, HITO has been involved in three further projects to highlight the literacy skills required and support available for Service Industries. These will be released during 2011.

Like most areas of the tertiary sector, ITOs are required to introduce a self

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SETTING BODY FOR,
BARBERING, BEAUTY
AND HAIRDRESSING

review process that is replacing the NZQA audit system. This process requires an organisation to review its performance against a set of prescribed and self identified performance indicators.

The ITO will then be externally evaluated on their results and their self review process. The results of this will be published along with the reviews of all tertiary sector to provide independent information to stakeholders.

The moderation team is looking forward to a challenging year ahead in 2011.

HITO HAIRDRESSING ADVISORY GROUP REPORT

Andrea Bullock | Chairperson | Hairdressing Advisory Group



2010 has been a very active year for the Hairdressing Advisory Group and we can look back at our achievements with pride.

We have made changes to our Accreditation Moderation Action Plan (AMAP), the most significant being reducing the requirements to be a tutor in a training environment to seven years working in industry.

Our new revised qualifications have been well received and it is gratifying to get such strong endorsement for the new units from all sectors. Only one of the new units required minor adjustments - Salon Workflow. We received feedback after it was delivered for the first time that improvements were required to better reflect the original intent.

Numeracy and Literacy have been embedded into our new qualifications and we are already seeing positive outcomes.



A clear transition plan, to avoid confusion, has been put in place to show which version of the qualification an apprentice is undertaking.

The clear directive that was sent to providers who deliver Off Job Training in 2010 (identifying which units will be delivered in each of the three years) has allowed for a smoother process for apprentices progressing through their training.

We have a new training manual which will greatly assist trainers in their in salon training and give them a better understanding of the requirements of the units.

We are currently adapting the new Advanced Cutting qualification so that it can be available online in the future. Our new Advanced Colouring and Competition qualifications are with



NZQA awaiting approval. We are very pleased with these new initiatives and know they will be received well by industry.

We are looking at the development of a new Hairdressing Trainer qualification in 2012 and in the future we will be looking at other options for developing a Front Desk qualification.

Another focus for us has been foundation units that can be delivered within secondary schools with a focus on numeracy or literacy. These will sit under Gateway and will provide a pathway into our higher level units.

We continue to focus on increasing the number of qualified hairdressers and



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providing them with transportable skills
that will be recognised globally.

Feedback that we receive from all sectors
is invaluable. I would like to thank you all
for the support that you provide to the
committee and the ongoing support of
HITO is much appreciated.



HITO BEAUTY ADVISORY GROUP REPORT

Jaye Clark | Co-opted HITO Board Member



2010 has been a landmark year for beauty, being a partner within HITO.

I wish to thank Erica and her team for the professionalism and encouragement in integrating Beauty under the HITO umbrella. It is a huge undertaking, with the current constitution having to be fully reviewed to accommodate beauty. After a huge amount of consultation with stakeholders, we look forward to the final draft being adopted sooner rather than later.

The existing Beauty qualifications were drastically in need of review and the first qualification of Nail Technology was completed with the guidance of the Beauty Advisory Group, consisting of Marianna Glucina, Lorna Lapsey, Kris McCleod, Judy West, Tania Berryman, Jason Hare and Erica Cumming as well as industry input.



A foundation Beauty qualification is in progress at present. Based on industry feedback and research there will be a further advanced qualification that will include a workplace component for some on-job training.

An exciting aspect of being part of HITO is the international benchmarking of both hairdressing and beauty qualifications. This continues, with countries including South Africa, Australia, Canada and New Zealand.

The first Hairdressing graduates were recognised at a graduation ceremony held in Auckland in November and we look forward to the first beauty graduates in the near future.

For the coming year, we look forward to more qualifications being finalised.

2010 HAS
BEEN A
LANDMARK
YEAR FOR
BEAUTY

2010 PERFORMANCE
INFORMATION



GRADUATES IN 2010 - HAIRDRESSING

The following people have achieved the final assessment unit standard in 2010

Abbigail Smillie	Annette McKenzie	Donna Stewart	Jenna Loney	Kelly Warren
Abby Drake	Ashley Brennan	Elisabeth Piper	Jenna Williams	Kelsey Holten
Adele Downes	Ashley Hale	Elizabeth Keiry	Jennifer Buckley	Khali Bishop
Adele Lowe-Thomas	Ashley Trainor	Emily Frew	Jennifer Harding	Kiesha Hume
Aimee Morrison	Bonnie Stewart	Emily Meuli	Jennifer McClelland	Kimberley Butterworth
Ainslee Pawson	Briar Sweeney	Emma MacKinnon	Jerrica Donner	Kimberley Grant
Alexandra Haddon	Brittany Parker	Emma Rice	Jesse Thomas	Kirsty Goodall
Alice See	Brydhi Ramage	Emma Robson	Jessica Godfree	Krista Wyllie
Alissa Baker	Cara Lilly	Emma Ruru	Jessica Jones	Kristeena Holdaway
Amanda Ferries	Casey Harper	Emma Thrupp	Jessica Littlewood	Kristie Patten
Amanda McMillan	Cassidy Carlyle-Williamson	Erin McLean	Jessica Walden	Kristin Russell
Amanda Paul	Cazna Katipa	Gemma Kellec	Jessica Watts	Kristine Habraken
Amanda Pye	Chantelle Donohue	Gene Kennedy	Jessie-Lee Bishop	Krystal Ward
Amanda Thompson	Chantelle Van Niekerk	Grace Knell	Jodi MacDonald	Krystal-Maree Boyd
Amanda Young	Charlotte Beach	Greta Gallagher	Jodi Nicholson	Lace Roberts
Amber Gunion	Chelsea Benton	Haley Barraclough	Joelle Collins	Latrice Davis
Amelia Matthews	Chelsea Reid	Hanna Latimer	John Lancashire	Laura Cooper
Amie Burmaz-Nichol	Chinchin Yeap	Hayley Fowler	Joleen Oxnam	Leah Anderson
Amrita Kumar	Chloe Pomeroy	Hayley Tawhara	Joshua Dunne	Leanne Elliott
Amy Donaldson	Chloe Spencer	Holley Milne	Judith Rodgers	Leonie Hornell
Amy Hewitt	Chung Su	Ingrid Blair	Kalina Wilson	Lisa McPike
Amy Hitchings	Claire McCutcheon	Isobel Te Naiti	Karen Walzl	Lisa Thompson
Amy Hunger	Clare Daly	Issac Hornell	Kasey Smyth	Lorraine Gardner
Ananya Pakhothang	Clare Morris	Jade Sadler	Kate Fitzgerald	Lydia Barrington
Andrea Rubie	Codi Clayton	Jamie Duggan	Kate Garratt-Rongonui	Lydia Macken
Angela Sale	Courtney Bluck	Jamie Griffin	Kate Hodren	Lyn-Marie Doughty
Angelina Greenwood	Courtney Dougan	Janaya Huston	Kate Watson	Mandy Cook
Anna Gaul	Courtney Hayston-Walker	Jane Edgar	Katherine McNeil	Maora-Rose Ngarimu
Anna Hamilton	Courtney McIntosh	Janna Webley	Katie Marks	Martha Pienaar
Anna Loader	Craig Hughan	Jasmine Skinner	Katrina Huysdens	Mary-Ellen Orchard
Anna Moorcock	Danielle Couper	Jasmyne Hatch	Kellie Christie	Matthew Mitchell
Anna Morgan	Danielle Hughes	Jemma Nisbet	Kelly McLean	Maude Chicoine
Anna Ramsay	Deniece Bridgeman	Jenna Hellens	Kelly Vercoe	Megan Tilley

Melanie Barker	Nichola Peacham	Rachael St George	Sarah Gourlay	Stacey May
Melissa Brewster	Nichola Ryan	Rachel Caldwell	Sarah Howlett	Star Power
Melissa Lochead	Nicole Dirkze	Rachel Jonathan	Sarah Jordan	Stephanie Hawkins
Melissa Loh	Nicole Drummond	Rachel Porter	Sarah Wildermoth	Summer Rich-Ryan
Melissa Vine	Nicole Hall	Rachel Sharp	Seema Deo	Susanna Thompson
Mhicca King	Nicole Ireland	Rebecca Heibner	Selena Bowell	Susannah Cosh
Michaela White	Nicole Matuschka	Rebecca Hulme	Shalisa Pupuke	Tanya Raharuhi
Michelle Ireland	Nicole McIntosh	Rebecca Oldham	Shana McClanachan	Tere Stockman
Michelle Taylor	Nicole Saunders	Renae Harkness	Shannon Shave-Eddy	Teresa Ramsay
Mickey Ridgway	Nicole Wilson	Renee Katu	Sharlene Coulston	Toni Clarke
Moana Smither	Nicole Yates	Rhiannon Williams	Sheree Trueman	Toni Dawson
Molly Williams	Oliver Marchant	Ria Wikio	Siane Perie	Toni-Ann Anderson
Morgan Whiley	Patricia McKenzie	Rosanna Thomas	Simone Parli	Tracey Johnston
Nader Samadi	Paul Geronimo	Rose Willis	Sinead McGrath	Tyla Riley
Natasha Casey	Paula Hinton	Rowena Guthrie	Sophie Ellis	Wendy Aldridge
Natasha Gill	Paula McKay	Saara Ashton	Sophie Pratt	Xuefen Xia
Natasha Muir	Pepito Silverio	Sally Lawrie	Sophie Robertson	Yinxiao Huang
Natasha Pester	Peter Dutton	Samantha Black	Stacey Bewley	Yoshiko Hay
Natasha-Lee Smith	Poloa Rowe	Samantha Giddy	Stacey Brosnahan	Yukiyo Sato
Nateria Flavell-Birch	QingQing Mei	Samantha Parks	Stacey Cleghorn	Zara Pedersen
Nichola Ahnau	Rachael Marriott	Sara Andrew	Stacey King	Zoe Sundy

GRADUATES IN 2010 - BARBERING

The following people have achieved the final in Salon Barbering Assessment in 2010

Candice MacIlquham	Jasmine Lovell	Nicholas James	Tara Snell
Donna Elwin	Julie Depree	Ofa Seanoa	Vicki O'Fee
Evan Jarden	Merran Kopua-Duff	Rebecca Parnwell	

There were others who completed their finals who have chosen not to be identified in this report.

CREDITS ACHIEVED IN 2010



2009 TOTAL CREDITS

91,256

2010 TOTAL CREDITS

122,117

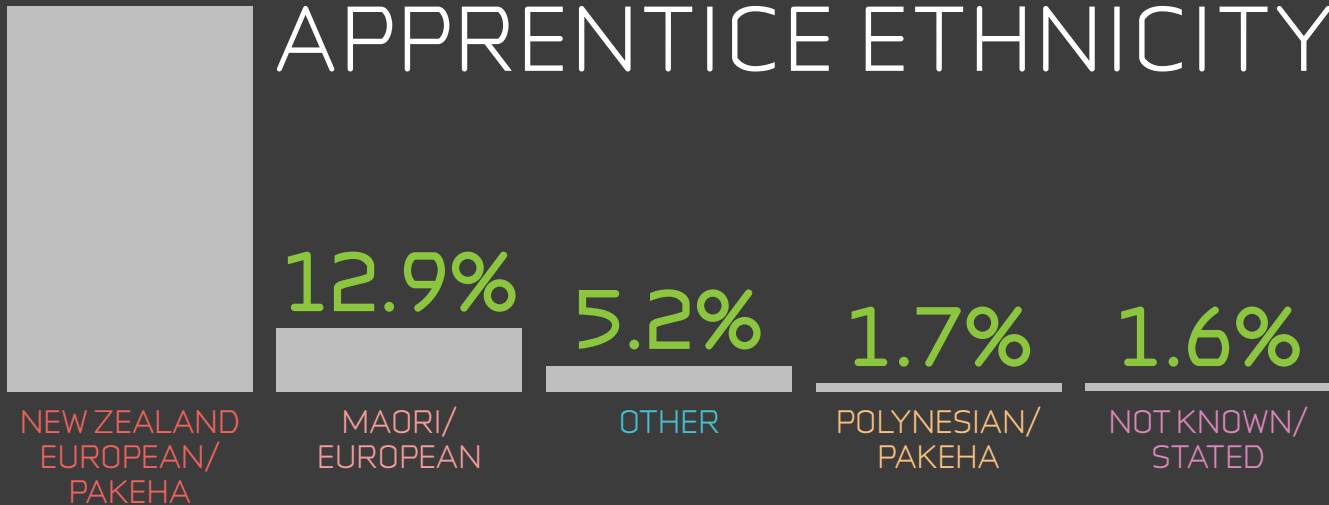
TOTAL CREDITS COMPARISON

NATIONAL CERTIFICATES ISSUED IN 2010

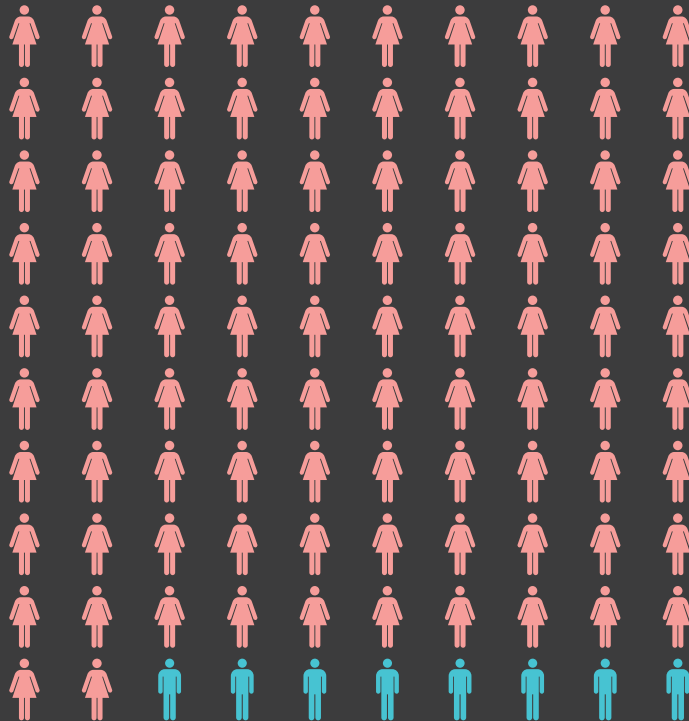


78.6%

APPRENTICE ETHNICITY



GENDER COMPARISON



KEY



FEMALE
92%



MALE
8%

NUMBER OF NEW APPRENTICES

581

TWO THOUSAND AND TEN



DOWN 175 ON 2009

AGE OF APPRENTICES

54%

20-24 YEARS

29%

16-19 YEARS

9%

25-29 YEARS

3%

30-34 YEARS

2%

35-39 YEARS

2%

40-44 YEARS

1%

45+ YEARS

INDUSTRY
TRAINEE

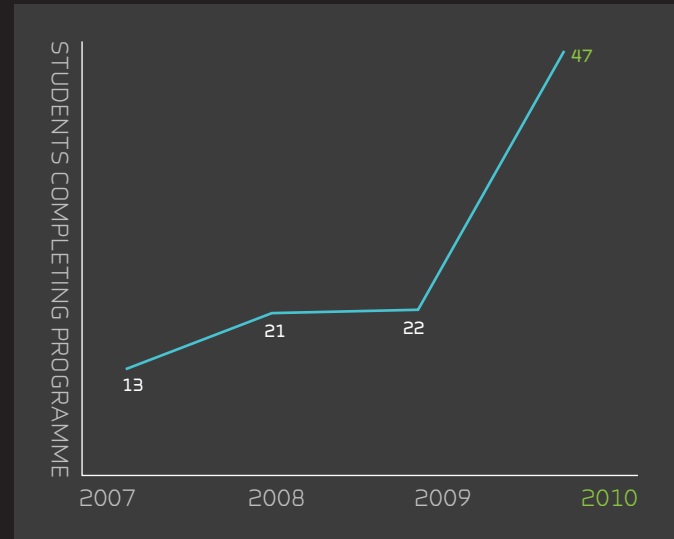
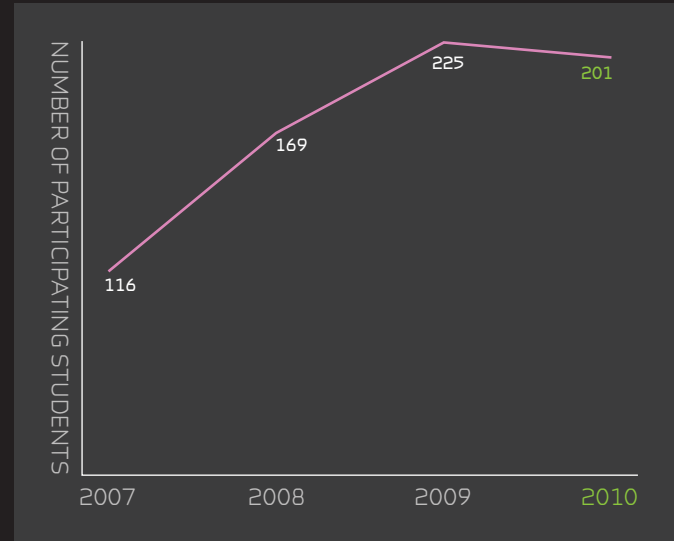
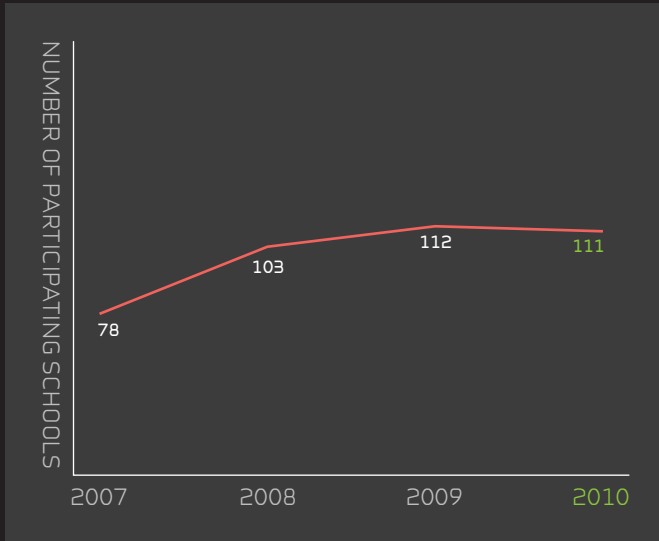
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MODERN
APPRENTICE

837

CONTINUING APPRENTICES

GATEWAY PROGRAMME



2010 FINANCIAL
STATEMENTS



NEW ZEALAND HAIRDRESSING INDUSTRY TRAINING ORGANISATION INC

NZ HAIRDRESSING INDUSTRY TRAINING ORGANISATION INC

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FINANCIAL STATEMENTS

FOR THE 12 MONTHS ENDED 31 DECEMBER 2010

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AUDIT REPORT**To the Members of New Zealand Hairdressing Industry Training Organisation Inc.**

We have audited the financial statements on pages 2 to 10. The financial statements provide information about the past financial performance of New Zealand Hairdressing Industry Training Organisation Inc and its financial position as at 31 December 2010. This information is stated in accordance with the accounting policies set out on pages 7 of the financial statements.

This report is made solely to the members of New Zealand Hairdressing Industry Training Organisation Inc, as a body, in accordance with the requirements of New Zealand Hairdressing Industry Training Organisation Inc's Constitution. Our audit has been undertaken so that we might state to the New Zealand Hairdressing Industry Training Organisation Inc's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the New Zealand Hairdressing Industry Training Organisation Inc and the New Zealand Hairdressing Industry Training Organisation Inc's members as a body, for our audit work, for this report, or for the opinion we have formed.

Board's Responsibilities

The Board is responsible for the preparation of the financial statements which fairly reflect the financial position of the organisation as at 31 December 2010 and the results of its operations for the year ended on that date.

Auditor's Responsibilities

It is our responsibility to express to you an independent opinion on the financial statements presented by the Board.

Basis of Opinion

An audit includes examining on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

- the significant estimates and judgements made by the Board in the preparation of the financial statements; and
- whether the accounting policies are appropriate to the organisation circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with New Zealand Auditing Standards. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to obtain reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Other than in our capacity as auditors we have no other relationship with, or interests in, the organisation.

Unqualified Opinion

In our opinion the financial statements on pages 2 to 10 fairly reflect the financial position of New Zealand Hairdressing Industry Training Organisation Inc as at 31 December 2010 and the results of its operations for the year ended on that date.

Our audit was completed on 21 February 2011 and our unqualified opinion is expressed as at that date.


BDO Wellington
Wellington

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2010

REVENUE	Note	2010	2009
Regional Apprentice Fees		142,171	152,988
HITO Annual Employer Fees		128,533	108,051
NZARH - Association Levy		65,177	68,127
Regional Hook On		0	111
Barbering Fees - 10650		2,268	2,848
Appeal on Assessment		1,128	791
Assessment Fees		115,345	104,786
Workshops - Assessor Training		1,924	742
Workshops for Employers		777	4,339
National Certificate Income		6,971	5,761
Industry Development Recovery		26,804	0
Credit Fees		24,647	22,484
Moderation Recovery		178,425	114,211
Tertiary Education Commission Funding-Literacy Pilot		63,990	100,000
Tertiary Education Commission Funding	(2)	4,129,777	4,011,093
		<u>4,887,936</u>	<u>4,696,331</u>
PUBLICATION SALES			
Publication Sales		65,489	42,572
Less Cost of Sales		(42,855)	(20,424)
		<u>22,634</u>	<u>22,148</u>
GATEWAY INCOME			
Gateway Income		43,018	38,320
Less Gateway Expenses		(26,330)	(19,370)
		<u>16,688</u>	<u>18,950</u>
OTHER INCOME			
Interest - National & Regional Offices		376,897	248,564
Limited Credit Programme		7,915	2,291
Sundry Income		8,502	9,059
Previous Year Tax Refund		0	203,953
		<u>393,315</u>	<u>463,866</u>
TOTAL REVENUE		<u>5,320,573</u>	<u>5,201,295</u>

These Statements are to read in conjunction with the notes on pages 7 to 10
(2)



(5)
01 of 5 pages To assist in reading the financial statements in conjunction with the notes on pages 7 to 10

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2010

EXPENDITURE	Note	2010	2009
Seminar Expenses		24,287	37,078
Advertising/Marketing Material		323,901	264,183
Surveys/Reviews/Projects		233,854	173,405
Regional Hook On Payments		0	89
Assessment Expenses 2759/2757		91,193	75,793
Barbering Fees		3,644	1,782
Off Job Training Paid	(10)	1,080,263	1,139,610
Board & Travel Subsidy		16,571	17,884
National Certificate Costs		566	5,635
Accreditation/Credit Fees		30,524	21,547
Moderation Expenses		35,154	29,660
Literacy Pilot		35,554	81,009
Industry Development		224,818	77,209
Qualification Adv Committee		15,245	8,368
Workshops		25,484	27,181
Provision for Doubtful Debts		54,134	25,409
Management - Level 5		0	370
Limited Credit Programme		0	2,482
		<u>2,195,192</u>	<u>1,988,694</u>

These statements are to be read in conjunction with the notes on pages 7 to 10
(3)



STATEMENT OF FINANCIAL PERFORMANCE
FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2010

GENERAL OVERHEADS	Note	2010	2009
ACC Earner/Employer Premiums		5,412	4,976
Accommodation		15,457	11,315
Accounting & Legal Expenses		6,011	4,876
Advertising Yellow Pages		7,310	17,232
Audit Fees		11,450	13,280
Depreciation	(5)	130,495	47,632
Loss on Disposal of Assets		0	1,431
Constitution Review		22,760	0
General Expenses	(3)	284,756	182,192
Insurance		12,416	10,753
National Committee Meetings		40,679	58,127
Printing & Stationery		22,043	20,987
Office Rent		83,234	50,919
Lease Expenses		8,025	8,105
Salaries & Wages		1,101,446	1,042,795
Staff Recruitment		11,427	22,240
Staff Training		10,462	45,912
Telephone & Tolls		42,261	38,573
Vehicle Leases		56,377	54,717
Vehicle Running Expenses		38,477	37,875
		<u>1,910,500</u>	<u>1,673,936</u>
TOTAL EXPENDITURE		4,105,692	3,662,631
OPERATING SURPLUS BEFORE TAX		1,214,881	1,538,664
Provision for Taxation		0	0
NET OPERATING SURPLUS AFTER TAX		<u>1,214,881</u>	<u>1,538,664</u>

These statements are to be read in conjunction with the notes on pages 7 to 10
(4)



STATEMENT OF MOVEMENTS IN EQUITY
FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2010

	Note	2010	2009
Equity At Start of Period		6,784,740	5,246,076
Net Operating Surplus After Tax		<u>1,214,881</u>	<u>1,538,664</u>
EQUITY AT END OF PERIOD		<u>7,999,621</u>	<u>6,784,740</u>

These Statements are to be read in conjunction with the notes on pages 7 to 10
(5)



STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2010

EQUITY	Note	2010	2009
Equity		<u>7,999,621</u>	<u>6,784,740</u>
CURRENT ASSETS			
Accounts Receivable		616,326	484,425
Stock on Hand		19,032	25,124
Prepayments		16,923	11,649
Bank Accounts – Current		55,122	56,729
Bank Accounts – Call Deposits		2,525,067	1,520,152
Term Deposits	(6)	<u>6,661,519</u>	<u>6,401,023</u>
		9,893,988	8,499,103
NON-CURRENT ASSETS			
Fixed Assets	(5)	<u>318,886</u>	<u>209,011</u>
		318,886	209,011
TOTAL ASSETS		10,212,875	8,708,114
CURRENT LIABILITIES			
Apprentice Fee received in Advance		87,267	98,747
Accounts Payable		2,058,197	1,782,872
GST Payable		<u>67,790</u>	<u>41,754</u>
		2,213,254	1,923,373
TOTAL LIABILITIES		2,213,254	1,923,373
NET ASSETS		<u>7,999,621</u>	<u>6,784,740</u>

For and on behalf of the Executive Board

Allison Murray
Chairperson
21 February 2011

Erica Cumming
Chief Executive Officer
21 February 2011

These statements are to be read in conjunction with the notes on pages 7 to 10
(6)



NOTES TO THE FINANCIAL STATEMENTS

1. STATEMENT OF ACCOUNTING POLICIES

These statements have been prepared in accordance with the Incorporated Societies Act 1908.

A. GENERAL ACCOUNTING POLICIES

The measurement base adopted is that of historic cost.

Differential Reporting

The NZ Hairdressing Industry Training Organisation Inc is a qualifying entity within the New Zealand Institute of Chartered Accountants Differential Reporting Framework. The Organisation is not publicly accountable and qualifies under the size criteria. The Organisation has taken advantage of all differential reporting concessions available to it except for GST, the statements are presented exclusive of GST.

B. PARTICULAR ACCOUNTING POLICIES

Accounts Receivable

Accounts receivable are valued at expected realisable value.

Stock

Stocks are valued at the lower cost on a FIFO basis or net realisable after due allowance for damaged or obsolete stock.

Fixed Assets

Fixed Assets are recorded at cost less depreciation to date. All fixed assets are depreciated over their expected useful lives using the straight line method of depreciation, using the maximum rates allowed by the Inland Revenue Department.

Goods and Service Tax

The Financial Statements are stated exclusive of Goods and Service tax except for Accounts Receivable and Accounts Payable which have been stated inclusive of Goods and Services tax.

Government Grants

All grant monies have been treated in the basis of grants being income rather than capital.

C. CHANGES IN ACCOUNTING POLICIES

There has been no change in accounting policy for the HITO.

These notes are to be read in conjunction with the statements on pages 2 to 6
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2. TERTIARY EDUCATION COMMISSION

	2010	2009
Funding Received	5,099,099	5,013,496
Accrual	393,556	110,750
Overpaid Funding to be returned	(1,217,223)	(957,577)
Funding Project deferred to next yr	<u>(145,655)</u>	<u>(155,576)</u>
	<u>4,129,777</u>	<u>4,011,093</u>

3. GENERAL EXPENSES

General Expenses are made up of the following expenses:

	2010	2009
Bank Charges	2,110	1,987
Cleaning	0	909
Computer Maintenance	70,043	73,634
Electricity	5,393	5,939
Freight, Courier & Postage	28,891	23,985
General Expenses	8,415	4,970
General Meeting Costs	54,566	23,185
ITO Federation Subscription	16,913	16,913
National Office Expenses	14,885	12,851
Office Relocation Costs	45,873	0
Repairs and Maintenance	1,695	228
Travel Expenses	<u>35,972</u>	<u>17,591</u>
	<u>284,756</u>	<u>182,192</u>

4. TAXATION

HITO registered as a Charitable Trust in June 2008, Taxation Provision was only provided until up to this period. There is no tax provision for the 2010 year.

These notes are to be read in conjunction with the statements on pages 2 to 6
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5. FIXED ASSETS

COST OR VALUATION \$	ACCUM DEPREC \$	BOOK VALUE 2010 \$	DEPREC CHARGE 2010 \$	BOOK VALUE 2009 \$
706,882	387,995	318,886	130,495	209,011

6. TERM DEPOSITS

	2010	2009
Westpac Term Deposit 01	1,913,272	1,837,663
Westpac Term Deposit 06	1,818,895	1,747,502
Westpac Term Deposit 08	849,288	815,858
ASB Term Deposit 0072	1,038,776	1,000,000
ASB Term Deposit 0073	1,041,287	1,000,000
Total Term Deposits	6,661,519	6,401,023

7. OPERATING LEASE COMMITMENTS

The operating lease commitments as at 31 December 2010 are:

	2010	2009
Current	148,896	87,519
Non Current	181,707	33,669
Total Operating Lease Commitments	330,603	121,188

These notes are to be read in conjunction with the statements on pages 2 to 6
(9)



(9) These notes are to be read in conjunction with the statements on pages 5 to 6

8. OTHER COMMITMENTS

As at balance date, HITO had committed to payment for the completion of the National Office fit out.

	2010	2009
	37,907	NIL

9. CONTINGENT LIABILITY

There are no contingent liabilities for HITO at this time.

	2010	2009
	NIL	NIL

10. OFF JOB TRAINING

	2010	2009
HITO Payments (75%)	1,080,263	1,139,610
Apprentice Contribution (25%)	360,088	379,870
Total Off Job Training cost	1,440,351	1,519,480

HITO Payments are paid on behalf of apprentices to providers. Apprentice Contributions are paid directly to the providers.

11. COMPARATIVES

Certain comparatives have been amended to ensure consistency with current year presentation.

These notes are to be read in conjunction with the statements on pages 2 to 6
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www.hito.org.nz



HITO

MISSION

To establish and maintain the achievement of high quality and relevant barbering, beauty and hairdressing qualifications as an essential investment for the industry and its clients.

PURPOSE

NZ Hairdressing Industry Training Organisation Inc. exists to provide leadership within the barbering, beauty and hairdressing industries so that trainees and employers experience the benefits of an excellent professional standard of qualifications and ensuring that training is meeting the needs of employees, employers, industry and the tertiary education commission.



NATIONAL OFFICE

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