

HEAR AND SAY CENTRE FOR DEAF CHILDREN

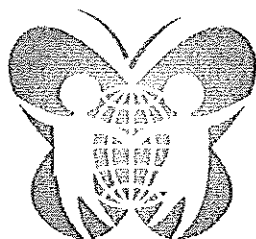
A Company Limited by Guarantee

ACN 058 430 069

FINANCIAL REPORT

FOR YEAR ENDED 30 JUNE 2011

Index	Page
DIRECTORS' REPORT	1
AUDITOR'S INDEPENDENCE DECLARATION	7
STATEMENT OF COMPREHENSIVE INCOME	8
STATEMENT OF FINANCIAL POSITION	9
STATEMENT OF CHANGES IN EQUITY	10
STATEMENT OF CASH FLOWS	10
NOTES TO THE FINANCIAL STATEMENTS	11
DIRECTORS' DECLARATION	16
INDEPENDENT AUDIT REPORT	17



Hear and Say

a firstvoice centre

Auditor:
Jason O'Connor B.Com CPA
Registered Company Auditor (No. 353931)
www.joconnorptyltd.com.au

HEAR AND SAY CENTRE FOR DEAF CHILDREN

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DIRECTORS' REPORT

The directors present their report, together with the financial statements, on the company for the year ended 30 June 2011.

Directors

The following persons were directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Paul Laxon	Cameron MacMillan
Dimity Dornan AM	Tracey Moore
Jane Black	Margaret Steinberg AM
Bruce Black	Daniel Weule
Maree Blake (commenced 24 May 2011)	Alan Whidburn

Objectives

The Hear and Say short term objective is to establish a sustainable organisational / clinical delivery model to providing the best option for a Queensland child who is deaf to achieve their full potential in a hearing world. This objective is achieved through reaching as many children as possible, delivering the best services within resources and achieving world class outcomes.

The Hear and Say long term objective is to be the leader in the provision of access to listening and speaking for children with hearing loss and their families worldwide.

Strategy for achieving the objectives

Hear and Say has worked primarily towards five key strategic imperatives for the FY 2010/2011. The objectives of these strategic imperatives are described in more detail below however include:

- Hear and Say Worldwide
- National accreditation and partnerships program
- Research strategy
- Develop Core Organisational Capabilities
- Lobbying strategy, leveraging First Voice

These strategic activities go part way to ensuring long term organisational sustainability for Hear and Say and also focus on maintaining quality clinical outcomes for our children with hearing loss and their families. This past year has seen the team grow the domestic and international reputation of the organisation and address the global shortfall in trained professionals. In essence, Hear and Say is working to educate, advocate and empower professionals, parents and the community in relation to children with hearing loss – asking all involved to expect more and to raise the benchmark.

Hear and Say Worldwide. In order to:

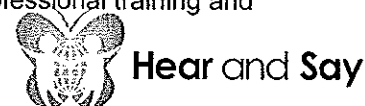
- Deliver Auditory-Verbal (A-V) practices to children who are deaf around the globe in order to give listening and speaking to as many children who are deaf as possible
- Access international funding pools (aid, commercial, philanthropic) in order to increase funding available to Hear and Say for all children but specifically QLD children who are deaf
- Increase profile of Auditory-Verbal therapy and Hear and Say in order to develop brand awareness and pipeline of training opportunities / funds

National accreditation and partnerships program. In order to:

- Ensure standardised delivery of therapy / educational services to Australian children who are deaf in order to establish a benchmark of service delivery for therapy / educational services for children who are deaf in Australia

Research strategy. In order to:

- Conduct research in hearing loss and associated fields in order to validate and advance the delivery and success of listening and spoken language programs for children who are deaf
- Attract research funding to Hear and Say in order to support further research, professional training and clinical program delivery



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Develop Core Organisational Capabilities. In order to:

- Define, develop and consolidate Hear and Say core service offerings in order to maximise outcomes for all Hear and Say stakeholders – more places for children!
- Identify and attain quality resources in order to ensure world's best, evidence based outcomes for children who are deaf that have been enabled by all Hear and Say departments

Lobbying strategy, leveraging First Voice. In order to:

- Establish National lobby group in order to attract federal policy and funding and wider community support for Auditory-Verbal approach to education of children who are deaf

Principal activities

During the year the principal continuing activities of the company were to act as a charitable body providing children who are deaf or hearing impaired with access to listening and spoken language and supporting their families in this journey.

The fundraising activities of the company have been critical in bridging the gap between government funding and other income sources.

Performance measures

The company measures its performance in a number of key areas including the number of children who are deaf or hearing impaired having the opportunity to listen and speak and the amount of funds raised. The key performance measures are maintained in a Balanced Scorecard format responding to the following key areas and the accompanying strategic questions:

CHILDREN & FAMILIES: These are our customers. We need to know that we are getting them, they are happy with the service, they are being retained and that we are delivering a quality sustainable service whilst retaining a family focus.

PARTNERS: Are we delivering on our promise? Do our partners and supports feel that they are getting value for money? Are we getting maximum outcome/value out of our partner?

OUR PEOPLE: Are our staff valued, happy and being utilised to their capacity? Are we efficiently and effectively using the resources we have available? Are we skilling our staff?

INFRASTRUCTURE: Do we have sufficient Core Organisational capabilities? Are we delivering on our organisational commitments?

FINANCE: Are we financially secure? Can we fulfil our financial obligations to our staff or other stakeholders? Are we meeting projected funding needs for future sustainability?

MARKETING: Is our WorldWide program reaching the appropriate number of professionals? Are we generating funding as a result of Hear and Say WorldWide? Are we effectively leveraging national lobbying opportunities? Building our brand and reputation.

Information on directors

Name:	Paul Laxon
Title:	Non-Executive Chairman
Qualifications:	B Comm; Fellow TIA; Associate Member ICAA
Experience and expertise:	Paul is a Partner with Ernst and Young and leads their Queensland tax practice. Paul has in excess of 25 years experience in advising clients in relation to taxation matters and specifically in relation to mergers and acquisitions. Paul is a member of Ernst and Young's Oceania Advisory Council, and Asia Pacific Advisory Council (i.e the Board of Partners in Asia Pacific). Paul joined the Board of Hear and Say in 1999 and was elected Chairman in 2010.
Special responsibilities:	Chairman of the Board, member of Succession Subcommittee, member of Finance Subcommittee, and member of Building Subcommittee.



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Name: Dr Dimity Dornan AM
Title: Managing Director and Founder
Qualifications: PhD UQ, HonDUniv USQ, BSpThy, FSPAA, CpSp, LSLC Cert AVT
Experience and expertise: After working for many years as a speech pathologist, Dimity Dornan earned a Churchill Fellowship in 1991 to study Auditory-Verbal Therapy with Judy Simser at Children's Hospital of Eastern Ontario and Warren Estabrooks at North York General Hospital, Toronto. In 1992 she founded the Hear and Say Centre. For her work with children with hearing loss and their families, Dimity has been honoured as a Member of the Order of Australian (1998) and as a Fellow of Speech Pathology Australia (1999). She has earned the Australian Medical Association Award of Distinction for Services to Medicine (1999), and in 2001 she received the Auditory-Verbal International President's Award for Outstanding Services and Dedication. In the same year, she was chosen as the Zonta Woman of Achievement. In 2002 Dimity was awarded the Australian of the Year, Queensland award and this was followed in 2005 by the presentation of the Australian Social Entrepreneur of the Year. Her recent recognition includes Suncorp Queenslander of the Year 2010-2011, Alumnus of the Year University of Queensland 2011, Honorary Doctorate (Honoris Causa) University of Southern Queensland, 2011, Telstra Queensland Business Woman of the Year 2011 and the White Pages Community and Government award 2011. Dimity is currently the Chair of First Voice the Australian peak body of service providers promoting listening and spoken language. Dimity joined the Board of Hear and Say in 2006.
Special responsibilities: Managing Director, member of Succession Subcommittee, member of New Technology and Direction Subcommittee, and member of Building Subcommittee.

Name: Jane Black
Title: Non-Executive Director
Qualifications: B.SW. (Hons); Dip. Rad.
Experience and expertise: Jane Black is a clinical specialist social worker with extensive experience in the area of paediatric deafness, parent support and parental relationships and currently consults for the Hear and Say Centre where she works in this capacity. After an experience of twenty years supervision of a specialist otological surgical practice where she was instrumental in developing a paediatric and adult cochlear implant program and was a study coordinator for a Pfizer Ltd pharmaceutical trial, she graduated from the University of Queensland, where she received a number of Dean's commendations, with first class honors. She is currently undertaking doctoral studies at the School of Health and Rehabilitation Sciences at the University of Queensland examining "Prognostic Factors in Paediatric Cochlear Implantation" drawing on a strong background in disability in children and a dedicated commitment to these children and their families. Jane also has broad leadership and governance experience and expertise, having been Chairman of the Board of Directors of the Hear and Say Centre from 1996-2008. She remains as Deputy Chairman. She is the Chairman of the Medical and Education Committee for Hear and Say (the ethics committee for the research arm of the organisation). Jane is also surgical coordinator for both the Queensland Cochlear Implant Program and the Hear and Say Paediatric Cochlear Implant Program. She was a Director of Attune Hearing, a leading Queensland medical audiology company with national presence from 2006-2008 and has acted in many capacities in both for-profit and not-for profit organisations.
Special responsibilities: Deputy Chairman of the Board, Chairman of Medical and Education Subcommittee, Member of the Parent Advisory Subcommittee, Member of the Compliance and Risk Management Subcommittee and Member of the Finance Subcommittee.



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Name: Dr Bruce Black
Title: Non-Executive Director
Qualifications: MD; FRACS; FRCS (Ed); FRCS
Experience and expertise: Professor Bruce Black is a specialist otologist with interests in middle ear reconstruction and cochlear implantation. He is chairman of the Department of Otolaryngology at the Royal Children's Hospital and is the senior implant surgeon at the Royal Children's Hospital, the Queensland Cochlear Implant Program and the Hear and Say Centre, Brisbane. Bruce joined the Board of Hear and Say in 1993.
Special responsibilities: Member of New Technology and Direction Subcommittee.

Name: Maree Blake (commenced on 24 May 2011)
Title: Non-Executive Director
Qualifications: B.Bus; Grad Cert Management, GAICD, FCPA, FCIS
Experience and expertise: Maree has held senior executive level positions in the private and public sectors during the past 15 years. She is a qualified accountant with experience in governance, strategy and risk management, financial management and general business management across diverse business sectors. She also has corporate regulatory experience across a wide range of financial services and market sectors and most recently was Queensland Regional Commissioner for the Australian Securities and Investments Commission.
Maree has worked successfully in a diversity of organisations and has proven leadership and decision making abilities, communication and relationship management skills. Maree's board experience includes a not for profit providing transport and support services to disabled and socially isolated persons, state councils/committees of peak professional organisations, and an independent audit committee. Maree joined the Hear and Say Board in 2011.
Special responsibilities: Member of the Finance Subcommittee and member of Compliance and Risk Management Subcommittee.

Name: Cameron MacMillan
Title: Non-Executive Director
Qualifications: MBA (Uni of Qld); B. Bus.; GAICD
Experience and expertise: Cameron is currently a senior executive with BDO Kendalls with particular responsibility for international trade. For 15 years to 2009, he was a senior executive in Austrade with the last 5 as State Manager Queensland. Cameron brings a wealth of experience in high level government and commercial representation to Hear and Say together with experience in building, managing and leveraging such business, industry and government networks. Cameron joined the Board in 2009.
Special responsibilities: Member of the Finance Subcommittee.

Name: Tracey Moore
Title: Non-Executive Director
Qualifications: B.A.; LLB (Hons); M.A. (1st Hons)
Experience and expertise: Tracey is General Counsel for Urban Utilities. Prior to this position, she was a Partner of McCullough Robertson, Lawyers and has extensive experience in the provision of legal advice on a range of both public and private sector issues. Prior to joining McCullough Robertson, Tracey spent several years in Canberra providing legal services to a range of Commonwealth departments and statutory authorities.
Tracey has a particular interest in the 'not for profit' sector and during her legal career has provided legal assistance to a range of not for profit organizations, particularly in the health and community housing sectors. Tracey joined the Hear and Say Board in 2008.
Special responsibilities: Member of Compliance and Risk Management Subcommittee.



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Name: Professor Margaret Steinberg AM
Title: Non-Executive Director
Qualifications: PhD (Child Health & Ed); M.Phty; B. Phty (Hons); Dip.Phty
Experience and expertise: Professor Margaret Steinberg AM has been a Commissioner of the Crime and Misconduct Commission (CMC), Commissioner of the Criminal Justice Commission (CJC) and a Police Services Review Commissioner in Queensland. She Chaired the Audit Committees and Governance areas of both the CMC and CJC and took a steering role in research and prevention activities. She was formerly Deputy-President of the Guardianship and Administration Tribunal and establishment Director of the Healthy Ageing Unit, School of Population Health, University of Queensland. She holds a PhD in both Health and Education; her thesis being a 7 year longitudinal study of children with learning and behavioural problems. Professor Steinberg has undertaken innovative, often pioneering, work on complex, contemporary matters at the intersection of health, education, social policy and services, such as discrimination, decision-making integrity and incapacity, governance, HIV/AIDS, telecommunications, population ageing and work; at international and national levels, as a clinician, academic, public servant and community advocate. She currently holds the position of Adjunct Professor in the Centre of Philanthropy and Nonprofit Studies at the Queensland University of Technology, where her work has a focus on population ageing, Patron, Governor or Director of significant Boards and Councils with a social justice mandate, and has been made a Member of the Order of Australia for this work; which currently includes: Patron, Life-Long Learning Council of Queensland; Governor, Queensland Community Foundation; Director, Centre for Rural and Remote Mental Health; Board, Business Work and Ageing Centre, Swinburne University of Technology, Vic. Margaret joined the Hear and Say Board in 2006.
Special responsibilities: Member of Succession Subcommittee and member of New Technology and Direction Subcommittee.

Name: Daniel Weule
Title: Non-Executive Director
Qualifications: BTch (Hons) MBA
Experience and expertise: Daniel is the founder and Managing Director of 5D Consulting. 5D specialises in supporting business leaders in organisations to develop and implement strategy that produces sustainable results. Daniel has worked across multiple industries with clients including Rio Tinto Coal, Hamersley Iron, Ernst & Young, Mirvac, Nissen Motor Company, Telstra, Suncorp, BOQ, Sedgman, ING, Tennis Queensland, Western Health, QIC, QSuper, Minol Australia, Cardno, Airservices Australia, Hear and Say Centre, Education Queensland, Queensland treasury, Isaac Regional Council and Queensland Health. Daniel is an experienced management consultant and master facilitator. Daniel works in a wide range of contexts, leading strategy development with the Boards and CEOs of public companies or senior Executives, to team and leadership development of mid level management, to the design and facilitation of large customised conferences for departments or divisions. Daniel joined the Hear and Say Board in 2010.
Special responsibilities: Member of Succession Subcommittee and member of New Technology and Direction Subcommittee.

Name: Alan Whidburn
Title: Non-Executive Director
Qualifications: DipMgt
Experience and expertise: Following an earlier career as a senior executive with Energex including Business Quality Manager, Alan has been self employed as a consultant practicing mainly in the area of strategic planning and organizational development. Her has served a three year term with Standards Australia as chair of the Management and Business Sector Board that has the responsibility for the guidance and development of Australian Standards and is a Councilor of Standards Australia. Alan brings his experience in strategic development, governance and compliance to Hear and Say and joined the Board in 1997.
Special responsibilities: Member of the Compliance and Risk Management Subcommittee.



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Meetings of directors

The number of meetings of the company's Board of Directors and each board member held during the year ended 30 June 2011, and the number of meetings attended by each director were:

	Full Board	
	Attended	Held
Paul Laxon	5	7
Dimity Dornan AM	7	7
Jane Black	7	7
Bruce Black	6	7
Maree Blake	1	1
Cameron MacMillan	5	7
Tracey Moore	2	7
Margaret Steinberg AM	6	7
Daniel Weule	3	7
Alan Whidburn	5	7

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

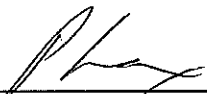
The total amount that members of the company are liable to contribute if the company is wound up is \$124, based on 62 current ordinary members.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)9a) of the Corporations Act 2001.

On behalf of the directors



Paul Laxon
Chairman

Dated this 25th day of October 2011.



Hear and Say

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AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

TO THE DIRECTORS OF THE HEAR AND SAY CENTRE FOR DEAF CHILDREN

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2011 there have been

- i. no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.


Jason O'Connor B.Com CPA
Registered Company Auditor (No. 353931)

Liability limited by a scheme approved under Professional Standards Legislation

Dated this *28th* day of *October* 2011.

Jason O'Connor B.Com CPA

P.O. Box 5480
BRENDALE DC QLD 4500

Telephone: (07) 3040 5320
Mobile: 0402 32 7773

auditor@joconnorptyltd.com.au
www.joconnorptyltd.com.au



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STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2011

	Note	2011 \$	2010 \$
INCOME			
Clinic income		487,535	396,066
Donations		306,887	550,567
Fundraising event revenue		565,811	570,084
Fundraising general		644,718	236,539
Appeals		85,896	82,481
Interest revenue		37,887	37,861
Grants - trusts and foundations		511,226	539,083
Grants - operating government		1,244,010	706,224
Other income		29,816	27,092
Total Income		3,913,786	3,145,997
EXPENDITURE			
Employee benefits expense		2,475,508	2,101,582
Fundraising expenditure		326,236	414,808
Depreciation expenses		305,716	313,782
Occupancy costs		118,153	113,137
Other expenditure		723,221	445,164
Total Expenditure		3,948,834	3,388,473
Deficit		(35,048)	(242,476)
Income tax expense	1	-	-
Deficit attributable to the members		(35,048)	(242,476)

The accompanying notes form part of these financial statements.

HEAR AND SAY CENTRE FOR DEAF CHILDREN

A Company Limited by Guarantee

ACN 058 430 069

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2011

	Note	2011 \$	2010 \$
CURRENT ASSETS			
Cash and cash equivalents	3	1,282,457	1,162,183
Trade and other receivables	4	76,643	58,553
Prepayments		33,432	32,193
Total Current Assets		1,392,532	1,252,929
NON CURRENT ASSETS			
Available for sale financial assets		35,984	29,919
Queensland Community Foundation		10,000	10,000
Property, plant and equipment	5	4,205,183	4,388,901
Total Non Current Assets		4,251,167	4,428,820
TOTAL ASSETS		5,643,699	5,681,749
CURRENT LIABILITIES			
Trade payables		224,510	175,917
Provision for employee benefits		224,076	164,023
Committed funds		180,000	347,323
Other liabilities		131,601	55,218
Total Current Liabilities		760,187	742,481
NON CURRENT LIABILITIES			
Provision for employee benefits		81,693	106,494
Total Non Current Liabilities		81,693	106,494
TOTAL LIABILITIES		841,880	848,975
NET ASSETS		4,801,819	4,832,774
EQUITY			
Asset revaluation reserve		2,445,597	2,445,597
Share reserve		3,170	(923)
Accumulated surplus		2,353,052	2,388,100
TOTAL ASSETS		4,801,819	4,832,774

The accompanying notes form part of these financial statements.

HEAR AND SAY CENTRE FOR DEAF CHILDREN

A Company Limited by Guarantee

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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2011

	Asset Revaluation Reserve \$	Share Reserve \$	Accumulated Surplus \$	Total \$
Opening balance 1st July 2009	2,316,392	(1,099)	2,630,576	4,945,869
Revaluation in property	129,205	-	-	129,205
Revaluation in shares	-	176	-	176
Plus current year surplus	-	-	(242,476)	(242,476)
Closing balance 30th June 2010	2,445,597	(923)	2,388,100	4,832,774
Opening balance 1st July 2010	2,445,597	(923)	2,388,100	4,832,774
Revaluation in property	-	-	-	-
Revaluation in shares	-	4,093	-	4,093
Plus current year surplus	-	-	(35,048)	(35,048)
Closing balance 30th June 2011	2,445,597	3,170	2,353,052	4,801,819

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2011

	Note	2011 \$	2010 \$
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts from customers and grants		1,739,150	1,609,517
Payments to suppliers and employees		(3,756,455)	(3,367,552)
Interest received		37,887	37,861
Dividends received		1,972	1,964
Donations received		306,887	550,567
Grants received		1,914,803	1,245,307
Net cash from operating activities	6	244,244	77,664
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant and equipment		(121,998)	(75,523)
Payments for shares		(1,972)	(16,906)
Net cash used in investment activities		(123,970)	(92,429)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash used in financing activities		-	-
Net increase in cash held		120,274	(14,765)
Cash and cash equivalents at 1 July		1,162,183	1,176,948
Cash and cash equivalents at 30 June	3	1,282,457	1,162,183

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New, revised or amending Accounting Standards and Interpretations adopted

The Company has adopted all of the new, revised or amending Accounting Standards and interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

The Company has early adopted AASB 1053 'Application of Tiers of Australian Accounting Standards' and AASB 2010-2 'Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements'. No other new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have been early adopted. Any significant impact on the accounting policies of the Company from the adoption of these Accounting Standards and Interpretations are disclosed in the relevant accounting policy. The adoption of these Accounting Standards and Interpretations did not have any impact on the financial performance or position of the Company. The following Accounting Standards and Interpretations are most relevant to the Company:

AASB 1053 Application of Tiers of Australian Accounting Standards: The Company has early adopted AASB 1053 from 1 July 2010. This standard establishes a differential financial reporting framework consisting of two Tiers of reporting requirements for preparing general purpose financial statements, being Tier 1 Australian Accounting Standards and Tier 2 Australian Accounting Standards – Reduced Disclosure Requirements. The Company being classed as Tier 2 continues to apply the full recognition and measurements requirements of Australian Accounting Standards with substantially reduced disclosure in accordance with AASB 2010-2.

AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements: The Company has early adopted AASB 2010-2 from 1 July 2010. These amendments make numerous modifications to a range of Australian Accounting Standards and Interpretations, to introduce reduced disclosure requirements to the pronouncements for application by certain types of entities in preparing general purpose financial statements. The adoption of these amendments has significantly reduced the Company's disclosure requirements.

AASB 2009-5 Amendments to Australian Accounting Standards arising from the Annual Improvements Project: The Company has applied AASB 2009-5 amendments from 1 July 2010. The amendments result in some accounting changes for presentation, recognition or measurement purposes, while some amendments that relate to terminology and editorial changes had no or minimal effect on accounting.

The main changes were:

- AASB 101 'Presentation of Financial Statements' – classification is not affected by the terms of a liability that could be settled by the issuance of equity instruments at the option of the counterparty;
- AASB 107 'Statement of Cash Flows' – only expenditure that results in a recognised asset can be classified as a cash flow from investing activities;
- AASB 117 'Leases' – removal of specific guidance on classifying land as a lease;
- AASB 118 'Revenue' – provides additional guidance to determine whether an entity is acting as a principal or agent; and
- AASB 136 'Impairment of Assets' – clarifies that the largest unit permitted for allocating goodwill, acquired in a business combination, is the operating segment as defined in AASB 8 'Operating Segments' before aggregation for reporting purposes.

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Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB'), Queensland legislation the Associations Incorporation Act 1981 and associated regulations. These financial statements do not comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Donations

Donations are recognised at the time the pledge is made.

Grants

Grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and all attached conditions will be complied with.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Committed funds

Where funds are raised or bequeathed for a specific project than those funds are held as a liability, once the conditions are satisfied these funds are treated as income.

Income tax

As the Company is a charitable institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Other receivables are recognised at amortised cost, less any provision for impairment.

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Class of Fixed Asset	Depreciation Rate
Buildings	5% Prime cost
Leasehold improvements	16.32% Prime cost
Plant and equipment - at cost	10% to 40% DV
Furniture and fittings - at cost	10% to 40% DV



Hear and Say

HEAR AND SAY CENTRE FOR DEAF CHILDREN

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ACN 058 430 069

Property, plant and equipment (continued)

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date. An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and not discounted. The amounts are unsecured and are usually paid within 30 days or recognition.

Employee benefits

Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Long service leave

The liability for long service leave is recognised in current and non-current liabilities, depending on the unconditional right to defer settlement of the liability for at least 12 months after the reporting date. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense. Receivables and payables are stated inclusive of the amount of GST receivable or payable.

The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.



HEAR AND SAY CENTRE FOR DEAF CHILDREN

A Company Limited by Guarantee

ACN 058 430 069

NOTE 2: CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management takes bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial years are discussed below:

Estimation of useful lives of assets

The Company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and definite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The company assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the company and to the particular assets that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs to sell or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Long service leave provision

As discussed in note 1. The liability for long service leave is recognized and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increase through promotion and inflation have been taken into account.

	2011	2010
	\$	\$
NOTE 2: AUDITORS' REMUNERATION		
Audit services	1,800	-
Other services	-	-
	<u>1,800</u>	<u>-</u>
NOTE 3: CASH AND CASH EQUIVALENTS		
Cash on hand	100	100
Cash at bank	264,241	216,740
Cash on deposit	1,018,116	945,343
	<u>1,282,457</u>	<u>1,162,183</u>
Less bank overdraft	-	-
	<u>1,282,457</u>	<u>1,162,183</u>
NOTE 4: TRADE AND OTHER RECEIVABLES		
Trade debtors	77,545	33,616
less provision for doubtful debts	(14,454)	(901)
	<u>63,091</u>	<u>32,715</u>
Other debtors	13,552	25,838
	<u>76,643</u>	<u>58,553</u>



Hear and Say

HEAR AND SAY CENTRE FOR DEAF CHILDREN

A Company Limited by Guarantee

ACN 058 430 069

	2011 \$	2010 \$
NOTE 5: PROPERTY, PLANT AND EQUIPMENT		
Land at independent valuation	1,280,000	1,280,000
Buildings at independent valuation	2,520,000	2,520,000
Less accumulated depreciation	(126,000)	-
	2,394,000	2,520,000
Leasehold improvements at cost	308,763	308,763
Less accumulated amorisation	(142,456)	(92,094)
	166,307	216,669
Plant and equipment at cost	958,463	876,983
Less accumulated depreciation	(634,457)	(552,296)
	324,006	324,687
Furniture and fittings at cost	114,487	112,636
Less accumulated depreciation	(73,617)	(65,091)
	40,870	47,545
Total Property, Plant and Equipment	4,205,183	4,388,901

NOTE 6: CASH FLOW INFORMATION

Deficit attributable to the members	(35,048)	(242,476)
Adjustments for non cash items:		
Depreciation	305,716	313,782
Grants for the acquisition fo assets	-	(72,171)
Gain on sale of plant and equipment	-	(850)
Changes in assets and liabilities:		
(increase) / decrease in trade and other receivables	(18,090)	(11,252)
(increase) / decrease in prepayments	(1,239)	(23)
Increase / (decrease) in trade payables	48,593	95,699
Increase / (decrease) in provision employee entitlements	35,252	(9,377)
Increase / (decrease) in committed funds	(167,323)	(11,906)
Increase / (decrease) in other liabilities	76,383	16,238
	244,244	77,664

NOTE 7: SUBSEQUENT EVENTS

There are no known subsequent events as at reporting date.

NOTE 8: CONTINGENT LIABILITIES

There are no known contingent liabilities as at reporting date.



HEAR AND SAY CENTRE FOR DEAF CHILDREN

A Company Limited by Guarantee

ACN 058 430 069


DIRECTORS' DECLARATION

The directors of the company declare that:

- a. the attached financial statements and notes thereto comply with the Corporations Act 2001, the Australian Accounting Standards – Reduced Disclosure Requirements, the Corporations Regulations 2001 and other mandatory professional reporting requirements.
- b. The attached financial statements and notes thereto give a true and fair view of the company's financial position as at 30 June 2011 and of its performance for the financial year ended on that date; and
- c. There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors made pursuant to section 295(5) of the Corporations Act 2001.

On behalf of the directors



Paul Laxon
Chairman

Dated this 24th day of October 2011.



Hear and Say

HEAR AND SAY CENTRE FOR DEAF CHILDREN

A Company Limited by Guarantee

ACN 058 430 069

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF THE HEAR AND SAY CENTRE FOR DEAF CHILDREN

Report on the Financial Report

We have audited the accompanying financial report of **The Hear and Say Centre for Deaf Children**, which comprises the statement of financial position as at **30 June 2011**, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of **The Hear and Say Centre for Deaf Children**, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion the financial report of **The Hear and Say Centre for Deaf Children** is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the company's financial position as at **30 June 2011** and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

Jason O'Connor B.Com CPA

P.O. Box 5480

BRENDALE DC QLD 4500

Telephone: (07) 3040 5320

Mobile: 0402 32 7773

auditor@joconnorptyltd.com.au

www.joconnorptyltd.com.au


Jason O'Connor B.Com CPA
Registered Company Auditor (No. 353931)

Liability limited by a scheme approved under Professional Standards Legislation

Dated this *28th* day of *October* 2011



Hear and Say

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