



Hear and Say

Opening worlds
for deaf children

FINANCIAL REPORT

FOR YEAR ENDED 30 JUNE 2014

Index

	Page
DIRECTORS' REPORT	1
AUDITOR'S INDEPENDENCE DECLARATION	8
STATEMENT OF COMPREHENSIVE INCOME.....	9
STATEMENT OF FINANCIAL POSITION	10
STATEMENT OF CHANGES IN EQUITY	11
STATEMENT OF CASH FLOWS	11
NOTES TO THE FINANCIAL STATEMENTS	12
DIRECTORS' DECLARATION.....	19
INDEPENDENT AUDIT REPORT	20

Auditor:

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

HEAR AND SAY - CENTRE FOR DEAF CHILDREN LTD

A Company Limited by Guarantee

ACN 058 430 069

DIRECTORS' REPORT

30th June 2014

The directors present their report, together with the financial statements, on the company for the year ended 30 June 2013.

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	Rod Solomons (commenced Feb 2014)
Dimity Dornan AO	Maree Blake
Jane Black	Margaret Steinberg AM
Bruce Black	Melanie Alpar
Peter Riddles (commenced Nov 2013)	Cameron MacMillan (resigned Sept 2013)

Objectives

The key short term objective for Hear and Say is to open up new worlds for deaf children. Hear and Say exists to facilitate access to the basic human right to communicate through listening and speaking thereby enabling all children to reach their full potential.

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

These objectives are now slowly being realised. Listening and spoken language is a genuine reality for children born deaf in 2014. Hear and Say is ushering in a new generation of deaf children, a generation who hear, listen and speak

Strategy for achieving the objectives

With hearing loss as the most common disability in new-born children and more than 90% of these children born with permanent hearing loss being born to hearing parents, there is now, more than ever, an imperative for Hear and Say to spearhead community change and to redefine the benchmarks set for children with hearing loss. The 21st Century has seen much transformation in the field of hearing loss and in our professional sector, with ever advancing technology, diversified funding streams and the maturing knowledge emerging around auditory brain development and therapy techniques. With changing community expectations and increasing government interest in collaborative partnering and community-lead service delivery, Hear and Say's strong research and clinical reputation means that the organisation is clearly well positioned to lead this social change.

To ensure that the Hear and Say mission and vision is realised, the organisation has identified three strategic pillars to guide organisational business activity that centre on **Sustainability**, **Excellence** and **Advocacy**. Specifically, the three core strategic intents for Hear and Say are:

- *Sustainability through Funding, People and Infrastructure*. In order to:
 - Ensure equity of quality and access for the delivery of Auditory-Verbal, audiology and supporting services to children who are deaf irrespective of geographic location in order to give listening and speaking to as many children who are deaf as possible
 - Develop sustainable business models in all areas of Hear and Say (Children and Families, Research and Innovation and Worldwide) in order to access government, philanthropic and community funding pools in order to increase funding available to Hear and Say for all children but specifically QLD children who are deaf

HEAR AND SAY - CENTRE FOR DEAF CHILDREN LTD

A Company Limited by Guarantee

ACN 058 430 069

- Attract, retain, develop and support high calibre staff to ensure quality, efficacy and efficiency of all service delivery in order to achieve our short and long term objectives
- Procure, develop and / or maintain infrastructure capability and capacity to facilitate the delivery of world leading services in support of our organisational vision.
- *Performance and Research Excellence*. In order to:
 - Ensure the delivery of world leading, evidence based clinical services supported by efficient and effective, outcomes driven non-clinical team who are values based and understand the organisational vision.
- *A voice for all children (Advocacy)*
 - Creating greater awareness of listening and spoken language outcomes for children who are deaf
 - Ensuring that Hear and Say is 'front-of-mind' as a charity of choice, educator of children with hearing loss, preferred employer, researcher and in other areas
 - Making listening and spoken language outcomes available to all children with hearing loss regardless of geography, circumstance

With further extrapolation, these Strategic Intents identify desired strategic outcomes for the organisation and organisational processes and outcomes that can be measured against a set of clearly defined performance measures for Hear and Say.

Combined with the organisational values these strategic outcomes set the organisational philosophy and prioritises business effort for Hear and Say, thus underpinning all activity for Hear and Say and establishing a clear strategic future for the organisation.

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, but not limited to 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:

Financial independence – Do we have sustainable funding to support existing & planned services and activities, growth, new initiative? Are we financially viable – profitable and solvent?

Attraction & retention of best people – Are our reputation and values in alignment with the staff support, professional development and unique work opportunities that we offer?

Establishment & maintenance of appropriate infrastructure and technology – Have we the appropriate infrastructure capacity and capability available to support our vision?

Best practice clinical performance - Does our whole system collaborate on innovation and adopting technologies to facilitate evidence based best practice that can be monitored?

Best practice non-clinical performance – Does a framework for continuous quality improvement (CQI) exist to facilitate, encourage, support and demonstrate improved service delivery/outcomes?

HEAR AND SAY - CENTRE FOR DEAF CHILDREN LTD

A Company Limited by Guarantee

ACN 058 430 069

Research & development – Does our research and innovation program provide evidence process management, program quality, program value with measures implemented for appropriate project selection, articulation of benefits, program management, and staff productivity?

Advocacy – Are parents and parent advisory bodies are aware and informed and do we have engaged and supportive political, philanthropic, and professional groups?

Branding & recognition – Is the Hear and Say brand being recognised for outcomes, quality and innovation and is our reputation being enhanced and maintained?

Worldwide – Are we providing benchmarked clinical outcomes for the world and delivering world leading, evidenced based practice for the education of parents of / professionals working with children with hearing loss?

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 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 Committee, member of Finance Committee, and member of Building Committee.

Name: Associate Professor Dimity Dornan AO
Title: Executive Director and Founder
Qualifications: PhD UQ, HonDUniv USQ, BSpThy, FSPAA, CpSp, LSLC Cert AVT
Experience and expertise: Dimity Dornan AO is a Speech Pathologist and the Founder and Executive Director of Hear and Say, which enables deaf children to listen and speak. Hear and Say provides services for over 670 children and families. Dimity also initiated Hear and Say Research and Innovation, and Hear and Say WorldWide global professional training. Dimity has started a number of other groups including the Queensland Hearing Nexus (a Queensland-based hearing research group); and Human-Bionics Interface Frontiers, linking professionals in the Human Bionics field globally. Dimity has been named Associate Professor at University of Queensland and Griffith University, and has been granted a number of awards including: Member of the Order of Australia (1998); Fellow of Speech Pathology Australia (1999); Paul Harris Fellow, Rotary International, 1999; Australian Medical Association Award of Distinction for Services to Medicine (1999); Ernst and Young Australian Social Entrepreneur of the Year (2005); Suncorp Queenslander of the Year (2010-2011); University of Queensland Alumnus of the Year (2011); Telstra Business Woman of the Year for Queensland (2011); Queensland Greats award (2013); Dame of Honour, Order of St John of Jerusalem (Knights Hospitaller); Officer of the Order of Australia (2014) Dimity joined the Board of Hear and Say in 2006.
Special responsibilities: Executive Director, member of Succession Committee, member of Technology and Future Direction Committee.

HEAR AND SAY - CENTRE FOR DEAF CHILDREN LTD

A Company Limited by Guarantee

ACN 058 430 069

Name: Dr Jane Black
Title: Non-Executive Director
Qualifications: PhD UQ; BSW (Class 1 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. She has a strong background in disability in children and a dedicated commitment to these children and their families. Her other area of interest is prognostication in paediatric cochlear implantation, the topic of her doctoral studies.
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 Ethical Advisory Committee for Hear and Say (the gatekeeping body 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 organisation
Special responsibilities: Deputy Chairman of the Board, Chairman of the Ethical Advisory Committee, Member of the Parent Advisory Committee, Member of the Risk, Governance and Compliance Committee and Member of the Finance Committee.

Name: Dr Bruce Black
Title: Non-Executive Director
Qualifications: MD; FRACS; FRCS (Ed); FRCS
Experience and expertise: Professor Bruce Black MD FRACS FRCSEd FRCS graduated from the University of Queensland and completed specialty training in Otolaryngology in Oxford, Edinburgh and London, and is now a specialist ear surgeon in private practice on Wickham Terrace. He is the senior surgeon and Chairman, Department of Otolaryngology, Royal Children's Hospital, and the founding surgeon of the cochlear implant programs of the Royal Children's Hospital, Hear and Say, and Attune Ltd. He has been a pioneering surgeon in keyhole cochlear implant surgery, middle ear reconstruction and the treatment of cholesteatoma, and has been a consultant to Olympus Ltd in middle ear prosthetic design for many years. He is the author of "An Introduction to Ear Disease", has published over 100 ear disease articles and is on the review boards of several academic journals.
He is a longstanding member of the Politzer Society and has delivered more than 50 formal presentations in the major international Otology academic meetings. His major current clinical interests are in electronic middle and inner ear implantable hearing devices. Professor Black is the remaining founding director of Hear and Say and is the Centre's Surgical Director. Bruce joined the initial Board of Hear and Say in 1993.
Special responsibilities: Member of New Technology and Direction Committee, Surgical Director.

HEAR AND SAY - CENTRE FOR DEAF CHILDREN LTD

A Company Limited by Guarantee

ACN 058 430 069

Name: Maree Blake
Title: Non-Executive Director
Qualifications: B.Bus; Grad Cert Management, GAICD, FCPA, FCIA
Experience and expertise: Maree has held senior executive positions in the private and public sectors and has strong governance, strategy and risk management, and business management experience with a diverse range of organisations. Formerly Queensland Regional Commissioner with Australian Securities and Investments Commission, she also has corporate regulatory experience across a range of financial and market sectors.
Maree holds a number of directorships principally within the not for profit sector and also various member/chair positions on audit, risk and governance committees. Maree is a member of the Queensland State Council of Governance Institute of Australia (GIA) and on behalf of GIA, conducts training sessions, and conference presentations and workshops. Maree joined the Hear and Say Board in 2011.
Special responsibilities: Chair of the Finance Committee and Chair of Compliance and Risk Management Committee.

Name: Dr Margaret Steinberg AM
Title: Non-Executive Director
Qualifications: PhD (Child Health & Ed); M.Phty; B. Phty (Hons); Dip.Phty
Experience and expertise: Dr 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 Assistant Commissioner (Consumer) of the Health Quality and Complaints Commission and Chair of its Consumer Advisory Council; 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. Dr 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 is currently 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: Governor, Queensland Community Foundation; Director, Australasian Centre for Rural and Remote Mental Health, and of Open Minds; and Member, Metro North Health and Hospitals Board. Margaret joined the Hear and Say Board in 2006.
Special responsibilities: Member of Succession Committee and member of New Technology and Direction Committee.

HEAR AND SAY - CENTRE FOR DEAF CHILDREN LTD

A Company Limited by Guarantee

ACN 058 430 069

Name: Melanie Alpar
Title: Non-Executive Director
Qualifications: BBus (Marketing)
Experience and expertise: Melanie has extensive experience in sales and marketing within the financial services sector including the successful management of sales teams. She has worked within the financial services industry for 18 years for large corporations with both global and local exposure. These companies have included HSBC Asset Management, Prudential, Zurich Australia, AXA Australia, Aviva Australia and ING Australia. Melanie joined MLC in January 2011 after moving to QLD from Victoria in December 2010 and is currently the Northern Regional Manager Strategic Accounts. Melanie joined the Board in July 2012.
Special responsibilities: Member of Foundation Committee.

Name: Dr Peter Riddles
Title: Non-Executive Director
Qualifications: BSc (Hons), Grad Dip Business, PhD, FAICD
Experience and expertise: Peter seeks to contribute to sustainable development through realising and applying the benefits of innovation from science. He has broad experience in innovation including at the economic (industry development), company and technology level. He contributes in two broad activities: working with governments and economic regions on innovation policy and strategies for industry growth; and working with new ventures and universities in innovation and commercialisation. He is presently the Chair of Griffith Enterprise, a Director of the Australian Stem Cell Centre Ltd, Chair of Wound Management Innovation Cooperative Research Centre Ltd, and strategic advisor to a number of private firms. He is a member of the Alberta Research and Innovation Authority (Canada), a Fellow of the California Technology Council and a Board Member of the CSIRO in Australia. Peter is the inaugural Chair and President of Life Sciences Queensland building on his experience as a Founder and inaugural President of AusBiotech (Australia's biotechnology organisation) and the last Chairman (and a Member since its inception in 1999) of the Queensland Biotechnology Advisory Council. Peter was made an adjunct professor at the University of Queensland (1998 – 2000); Fellow of the Australian Institute for Company Directors (2001), Honorary Life Member of AusBiotech (2004) and was awarded the Queensland Life Sciences Industry Excellence Award (2010).. Peter joined the Board in November 2013.
Special responsibilities: Member of the New Technology and Direction Subcommittee.

HEAR AND SAY - CENTRE FOR DEAF CHILDREN

A Company Limited by Guarantee

ACN 058 430 069

Name: Rod Solomons
Title: Non-Executive Director
Qualifications: BA(Hons); M.-es-lett
Experience and expertise: Recently retired Trade and Investment Commissioner to India and South Asia, based in Bangalore, India. Prior to this, Head of Emerging Markets for IBM Software, based initially in Beijing, then Bangalore. Worked with IBM in 2 stints, with intervening years as Managing Director of ABN Amro Leasing in Australia and representative for Asia Pacific to Marketing Board in the Netherlands. Work location experience includes: Australia, France, UK, USA, China and India with short-term stints in Germany, Hungary, Portugal, Netherlands and Tunisia. Rod joined the Board in February 2014.

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 2014, and the number of meetings attended by each director were:

	Full Board		
	Attended	Held	
Paul Laxon	6	7	
Dimity Dornan AO	7	7	
Jane Black	7	7	
Bruce Black	7	7	
Maree Blake	4	7	
Margaret Steinberg AM	6	7	
Melanie Alpar	5	7	
Cameron MacMillan	2	2	resigned September 2013
Peter Riddles	3	3	commenced November 2013
Rod Solomons	2	2	commenced February 2013

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

Contributions on winding up

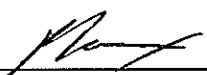
The total amount that members of the company are liable to contribute if the company is wound up is \$60, based on 30 current ordinary members.

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 17 day of September 2014

HEAR AND SAY - CENTRE FOR DEAF CHILDREN

A Company Limited by Guarantee

ACN 058 430 069

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 2014 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 *22nd* day of *September* 2014

Jason O'Connor B.Com CPA

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BRENDALE DC QLD 4500

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HEAR AND SAY - CENTRE FOR DEAF CHILDREN LTD

A Company Limited by Guarantee

ACN 058 430 069

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 \$	2013 \$
INCOME			
Appeals and child championship		993,781	327,920
Clinic income		1,122,176	899,431
Donations		283,790	440,114
Fundraising event revenue		502,776	387,635
Grants - operating government		1,269,290	1,255,653
Grants - trusts and foundations		569,812	643,906
Interest revenue		92,857	26,531
Other income		74,795	70,797
Non-operating - Queensland Health grant		1,000,000	115,990
Non-operating - fundraising building		3,725,756	525,599
Total Income		9,635,033	4,693,576
EXPENDITURE			
Advertising and promotion		104,105	9,115
Bad and doubtful debts		57,833	10,044
Clinical services		103,528	44,396
Consultant fees		29,984	92,662
Depreciation and impairment charges		286,871	263,243
Employee benefits expense		3,508,819	3,031,423
Fundraising expense		262,610	463,585
Insurance		54,306	60,940
Licenses and fees		55,068	30,578
Occupancy costs		212,503	199,193
Other expenses		139,117	109,943
Postage, printing and stationery		135,002	102,702
Repairs and maintenance		149,941	128,420
Telephone		55,820	53,046
Travel and accommodation		115,130	78,548
Total Expenditure		5,270,637	4,677,838
Surplus / (Deficit) before income tax expense		4,364,396	15,738
Income tax expense	1	-	-
Surplus after income tax expense for the year attributable to the members		4,364,396	15,738
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the members.		4,364,396	15,738

The accompanying notes form part of these financial statements.

HEAR AND SAY - CENTRE FOR DEAF CHILDREN LTD

A Company Limited by Guarantee

ACN 058 430 069

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2014

	Note	2014 \$	2013 \$
CURRENT ASSETS			
Cash on hand		100	100
Cash at bank		222,964	233,295
Cash on deposit		4,676,758	1,280,068
Accounts receivable	3	253,139	197,534
Other receivables	4	173,779	126,925
Prepaid expenses		59,938	27,529
Total Assets		5,386,678	1,865,451
NON CURRENT ASSETS			
Buildings - work in progress	11	8,604,000	2,055,082
Property, plant and equipment	5	3,622,992	3,758,440
Available for sale financial assets		22,316	14,741
Queensland Community Foundation		10,000	10,000
Total Non-Current Assets		12,259,308	5,838,263
Total Assets		17,645,986	7,703,714
CURRENT LIABILITIES			
Accounts payable		440,856	137,782
Other payables		176,423	347,672
Committed funds		281,448	233,393
Provision for employee benefits		191,864	152,658
Buildings - work in progress	11	5,265,060	-
Total Current Liabilities		6,355,651	871,505
NON CURRENT LIABILITIES			
Provision for employee benefits		213,327	119,597
Total Non-Current Liabilities		213,327	119,597
Total Liabilities		6,568,978	991,102
Net Assets		11,077,008	6,712,612
EQUITY			
Asset revaluation reserve		2,445,597	2,445,597
Accumulated surplus	7	8,631,411	4,267,015
Total Equity		11,077,008	6,712,612

The accompanying notes form part of these financial statements.

HEAR AND SAY - CENTRE FOR DEAF CHILDREN LTD

A Company Limited by Guarantee

ACN 058 430 069

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2014

	Asset Revaluation Reserve \$	Accumulated Surplus \$	Total \$
Opening balance 1st July 2012	2,445,597	4,251,277	6,696,874
Other comprehensive income for the year net of tax	-	-	-
Plus current year surplus	-	15,738	15,738
Closing balance 30th June 2013	2,445,597	4,267,015	6,712,612
Opening balance 1st July 2013	2,445,597	4,267,015	6,712,612
Other comprehensive income for the year net of tax	-	-	-
Plus current year surplus	-	4,364,396	4,364,396
Closing balance 30th June 2014	2,445,597	8,631,411	11,077,008

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 \$	2013 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		2,860,701	2,354,307
Payments to suppliers and employees		(5,028,621)	(4,848,630)
Interest received		92,857	26,531
Donations received		4,009,546	440,114
Grants received		2,887,157	2,334,506
Net cash from operating activities	6	4,821,640	306,828
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(1,435,281)	(320,421)
Net cash used in investment activities		(1,435,281)	(320,421)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash used in financing activities		-	-
Net increase in cash held		3,386,359	(13,593)
Cash and cash equivalents at 1 July		1,513,463	1,527,056
Cash and cash equivalents at 30 June	6	4,899,822	1,513,463

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

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 significant 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 2011. 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 2011. 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.

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') and the Corporations Act 2001, as appropriate for not-for-profit oriented entities. 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.

HEAR AND SAY - CENTRE FOR DEAF CHILDREN LTD

A Company Limited by Guarantee

ACN 058 430 069

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Other Donations/Bequests/Fundraising Activities

Contributions received via non-specific donations, bequests or fundraising activities and contributions to assist in the acquisition of assets, being non-reciprocal transfers, are measured at the fair value of the asset received and are recognised when the Group receives the donation or bequest or conducts the fundraising activity.

Grants

Contributions received by way of grants that have a specific objects clause attached are accounted for as reciprocal transfers and are measured at the fair value of the asset received and recognised as revenue when the Group expends the funds received for the specific purposes for which the grant was made.

Interest revenue

Interest revenue is recognised as it accrues, using the effective interest rate method.

Other revenue

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

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

Land and buildings are shown at fair value, based on periodic, at least every 3 years, valuations by external independent valuers, less subsequent depreciation and impairment for buildings. The valuations are undertaken more frequently if there is a material change in the fair value relative to the carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Increases in the carrying amounts arising on revaluation of land and buildings are credited in other comprehensive income through to the revaluation surplus reserve in equity. Any revaluation decrements are initially taken in other comprehensive income through to the revaluation surplus reserve to the extent of any previous revaluation surplus of the same asset. Thereafter the decrements are taken to profit or loss.

HEAR AND SAY - CENTRE FOR DEAF CHILDREN LTD

A Company Limited by Guarantee

ACN 058 430 069

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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 are not discounted. The amounts are unsecured and are usually paid within 30 days of 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.

Superannuation expense contributions

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

HEAR AND SAY - CENTRE FOR DEAF CHILDREN LTD

A Company Limited by Guarantee

ACN 058 430 069

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 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 year 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 finite 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 asset 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 recognised 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 increases through promotion and inflation have been taken into account.

HEAR AND SAY - CENTRE FOR DEAF CHILDREN LTD

A Company Limited by Guarantee

ACN 058 430 069

	2014	2013
	\$	\$
NOTE 3: ACCOUNTS RECEIVABLE		
Trade debtors	309,481	244,573
Less provision for bad and doubtful debts	(56,342)	(47,039)
	253,139	197,534

NOTE 4: OTHER RECEIVABLES		
Other debtors	231,924	190,857
less provision for impairment	(58,145)	(63,932)
	173,779	126,925

NOTE 5: PROPERTY, PLANT AND EQUIPMENT		
Property:		
Land at independent valuation	1,280,000	1,280,000
Buildings at independent valuation	2,520,000	2,520,000
Less accumulated depreciation	(467,444)	(359,415)
	2,052,556	2,160,585
Total Property	3,332,556	3,440,585
Plant and equipment:		
Plant and equipment	915,742	820,526
Less accumulated depreciation	(655,804)	(592,339)
	259,938	228,187
Furniture and fittings at cost	93,441	103,170
Less accumulated depreciation	(78,162)	(79,084)
	15,279	24,086
Leasehold improvements at cost	308,763	308,763
Less accumulated amortisation	(293,544)	(243,181)
	15,219	65,582
Total Plant and Equipment	290,436	317,855
Total Property, Plant and Equipment	3,622,992	3,758,440

2013:	Property	Plant and Equipment	Total
	\$	\$	\$
Balance at the beginning of year	3,554,300	363,981	3,918,281
Additions	-	103,402	103,402
Transfers	-	-	-
Disposals	-	-	-
Depreciation expense	(113,715)	(149,528)	(263,243)
Carrying Amount at End of Year	3,440,585	317,855	3,758,440

HEAR AND SAY - CENTRE FOR DEAF CHILDREN LTD

A Company Limited by Guarantee

ACN 058 430 069

NOTE 5: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

2014:	Property \$	Plant and Equipment \$	Total \$
Balance at the beginning of year	3,440,585	317,855	3,758,440
Additions	-	151,423	151,423
Transfers	-	-	-
Disposals	-	-	-
Depreciation expense	(108,029)	(178,842)	(286,871)
Carrying Amount at End of Year	3,332,556	290,436	3,622,992

	2014 \$	2013 \$
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NOTE 6: CASH FLOW INFORMATION

Surplus / (Deficit) attributable to the members	4,364,396	15,738
Adjustments for non cash items:		
Depreciation and impairments	286,871	263,243
Bad Debts	3,516	10,044
Diminution / (revaluation) in shares	(7,575)	670
Changes in assets and liabilities:		
(increase) / decrease in trade and other receivables	(105,975)	14,219
(increase) / decrease in prepayments	(32,409)	5,266
Increase / (decrease) in trade payables	303,074	(248,369)
Increase / (decrease) in provision employee entitlements	132,936	10,657
Increase / (decrease) in committed funds	48,055	117,403
Increase / (decrease) in other liabilities	(171,249)	117,957
	4,821,640	306,828

b. reconciliation of cash

Cash on hand	100	100
Cash at bank	222,964	233,295
Cash on deposit	4,676,758	1,280,068
	4,899,822	1,513,463
Less bank overdraft	-	-
	4,899,822	1,513,463

NOTE 7: EQUITY - ACCUMULATED SURPLUS

Accumulated surpluses at the beginning of the year	4,267,015	4,251,277
Surplus after income tax expense for the year	4,364,396	15,738
Accumulated surpluses at the end of the year	8,631,411	4,267,015

HEAR AND SAY - CENTRE FOR DEAF CHILDREN LTD

A Company Limited by Guarantee

ACN 058 430 069

	2014	2013
	\$	\$
NOTE 8: AUDITORS REMUNERATION		
Audit services	4,800	1,800
Other services	750	-
	5,550	1,800

NOTE 9: FINANCIAL INSTRUMENTS

Market risk

Interest rate risk

The company is not exposed to any significant interest rate risk.

NOTE 10: CONTINGENT LIABILITIES

The company had no contingent liabilities as at 30 June 2014 and 30 June 2013.

NOTE 11: COMMITMENTS

The company had no commitments for expenditure as at 30 June 2013 however has since entered into a construction contract during 2014. The purchase price of the land and the building contract was for \$8,604,000 with the unexpended component of the contract at 30 June 2014 amounting to \$5,265,060.

NOTE 12: RELATED PARTY TRANSACTIONS

Transactions with related parties

There were no transactions with related parties during the current and previous financial year.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

NOTE 13. EVENTS AFTER THE REPORTING PERIOD

Since the 30th June 2013, Hear and Say received a number of conditional grants towards the rebuilding of premises at Ithaca as part of Project Possibility. One generous donor has committed \$4 Million towards this project and the Queensland State Government has announced a further \$2 Million over two years. The Board has undertaken appropriate risk and governance analysis as to the organisation's financial and operational capability and has entered into a construction contract during the current financial year. These financial statements have been adjusted for these events.

There are no other known matters or circumstances that have arisen since 30 June 2014 that have significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

NOTE 14: MEMBERS' GUARANTEE

The company is limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of two dollars towards meeting any outstanding obligations of the company.

NOTE 15: COMPANY DETAILS

The registered office and principal place of business of the company is:

40/44 Munro St, Auchenflower QLD 4066

HEAR AND SAY - CENTRE FOR DEAF CHILDREN

A Company Limited by Guarantee

ACN 058 430 069

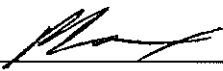
DIRECTORS' DECLARATION

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 2014 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 17 day of September 2014

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 2014**, 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 judgment, 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 2014** 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


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

Liability limited by a scheme approved under Professional Standards Legislation

Dated this 22nd day of September 2014

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