

Hear and Say - Centre for Deaf Children Limited

32 058 430 069

Financial Statements

For the Year Ended 30 June 2021

Hear and Say - Centre for Deaf Children Limited

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For the Year Ended 30 June 2021

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Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2021

	2021	2020
	\$	\$
INCOME		
Clinical services	3,808,327	3,190,938
Government service agreements	1,586,439	1,643,375
Non-government grants and donations	3,941,531	1,549,302
Gain on disposal of assets	-	617
Interest revenue	1,806	7,175
Government assistance - COVID 19	972,500	464,000
Other income	130,622	80,459
Total Income	10,441,225	6,935,866
EXPENDITURE		
Advertising and promotion	136,902	20,081
Bad and doubtful debts	43,511	39,177
Board Governance	-	30,000
Cleaning	50,326	54,000
Clinical services	47,556	54,033
Consultant fees	298,890	180,591
Depreciation and impairment charges	769,357	803,389
Employee benefits expense	5,447,453	4,938,809
Fundraising expense	63,820	82,364
Insurance	74,359	69,715
Interest Expense	2,052	5,038
Licenses and fees	79,713	53,875
Occupancy costs	90,918	115,617
Other expenses	120,959	135,210
Postage, printing and stationery	69,500	78,653
Repairs and maintenance	216,739	207,680
Telephone and internet	42,175	47,331
Travel and accommodation	38,342	84,836
Total Expenditure	7,592,572	7,000,399
Total comprehensive income for the year	2,848,653	(64,533)

The accompanying notes form part of these financial statements.

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Statement of Financial Position

30 June 2021

	Note	2021 \$	2020 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	5,677,687	1,990,126
Trade and other receivables	5	257,784	288,562
Inventories	6	8,069	7,495
Other assets	9	106,417	127,255
TOTAL CURRENT ASSETS		6,049,957	2,413,438
NON-CURRENT ASSETS			
Property, plant and equipment	8	10,323,270	10,968,420
Other financial assets	7	10,000	10,000
TOTAL NON-CURRENT ASSETS		10,333,270	10,978,420
TOTAL ASSETS		16,383,227	13,391,858
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	707,176	656,928
Provision for employee benefits	12	611,697	559,085
Other liabilities	11	287,465	227,000
TOTAL CURRENT LIABILITIES		1,606,336	1,443,011
NON-CURRENT LIABILITIES			
Provision for employee benefits	12	38,334	58,943
TOTAL NON-CURRENT LIABILITIES		38,334	58,943
TOTAL LIABILITIES		1,644,670	1,501,954
NET ASSETS		14,738,557	11,889,904
EQUITY			
Asset revaluation reserve		2,495,597	2,495,597
Retained earnings		12,242,960	9,394,307
TOTAL EQUITY		14,738,557	11,889,904

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the Year Ended 30 June 2021

2021

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 July 2020	9,394,307	2,495,597	11,889,904
Profit/(Loss) for the year	2,857,653	-	2,857,653
Balance at 30 June 2021	<u>12,251,960</u>	<u>2,495,597</u>	<u>14,747,557</u>

2020

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 July 2019	9,458,840	2,495,597	11,954,437
Profit/(Loss) for the year	(64,533)	-	(64,533)
Balance at 30 June 2020	<u>9,394,307</u>	<u>2,495,597</u>	<u>11,889,904</u>

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Statement of Cash Flows For the Year Ended 30 June 2021

	2021	2020
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from appeals, supporters and services	10,530,662	7,067,850
Payments to suppliers and employees	(6,718,645)	(6,143,059)
Interest received	1,805	7,175
Interest paid	(2,052)	(5,038)
Net cash provided by/(used in) operating activities	16 <u>3,811,770</u>	<u>926,928</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Movement in property, plant and equipment	<u>(124,209)</u>	(202,269)
Net cash used by investing activities	<u>(124,209)</u>	<u>(202,269)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net increase/(decrease) in cash and cash equivalents held	3,687,561	724,659
Cash and cash equivalents at beginning of year	<u>1,990,126</u>	1,265,467
Cash and cash equivalents at end of financial year	4 <u><u>5,677,687</u></u>	<u><u>1,990,126</u></u>

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2021

The financial report covers Hear and Say - Centre for Deaf Children Limited as an individual entity. Hear and Say - Centre for Deaf Children Limited is a not-for-profit Company, registered and domiciled in Australia.

The functional and presentation currency of Hear and Say - Centre for Deaf Children Limited is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

In the opinion of those charged with Governance the Company is not a reporting entity since there are unlikely to exist users of the financial statements who are not able to command the preparation of reports tailored so as to satisfy specifically all of their information needs. These special purpose financial statements have been prepared to meet the reporting requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

The material accounting policies adopted in the special purpose financial statements are set out in note 2 and indicate how the recognition and measurement requirements in Australian Accounting Standards have not been complied with.

2 Summary of Significant Accounting Policies

(a) Income Tax

The Company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(b) Leases

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

(c) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

All revenue is stated net of the amount of goods and services tax (GST).

Grant revenue

Grant revenue is recognised in the statement of profit or loss and other comprehensive income when the entity obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Hear and Say - Centre for Deaf Children Limited receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date

Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(c) Revenue and other income

Grant revenue

of acquisition in the statement of financial position, with a corresponding amount of income recognised in the statement of profit or loss and other comprehensive income.

All grant income has been deferred upon receipt and not recognised as revenue until the related expenses are incurred, without assessing whether enforceable performance obligations exist. This does not comply with *AASB 15 Revenue from Contracts with Customers* or *AASB 1058 Income of Not-for-Profit Entities*.

Interest revenue

Interest is recognised using the effective interest method.

Other income

Other income is recognised on an accruals basis when the Company is entitled to it.

(d) Economic dependence

Hear and Say - Centre for Deaf Children Limited is dependent on the grant income for the majority of its revenue used to operate the business. At the date of this report the directors have no reason to believe the grant income will not continue to support Hear and Say - Centre for Deaf Children Limited.

(e) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(f) Inventories

Inventories acquired at no cost, or for nominal consideration are valued at the current replacement cost as at the date of acquisition, which is the deemed cost.

(g) Property, plant and equipment

Land and buildings

Land and buildings are measured using the revaluation model.

Notes to the Financial Statements For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(g) Property, plant and equipment

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Company, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Buildings	5%
Plant and Equipment	10-40%
Furniture, Fixtures and Fittings	10-40%
Leasehold improvements	16.32%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(h) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of financial position.

(i) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Long-term provisions recognised for long service leave has been measured on the undiscounted basis. The probability that an employee may satisfy vesting requirements has not been taken into account. This treatment of long service leave entitlements does not comply with *AASB 119 Employee Benefits*.

Notes to the Financial Statements

For the Year Ended 30 June 2021

3 Critical Accounting Estimates and Judgments

Those charged with governance make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

4 Cash and Cash Equivalents

	2021	2020
	\$	\$
Cash at bank and in hand	100	100
Short-term deposits	4,082,327	1,106,602
Deposits at call	1,595,260	883,424
Total cash and cash equivalents	5,677,687	1,990,126

Reconciliation of cash

Cash and Cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:

	2021	2020
	\$	\$
Cash and cash equivalents	5,677,687	1,990,126
Balance as per statement of cash flows	5,677,687	1,990,126

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Notes to the Financial Statements For the Year Ended 30 June 2021

5 Trade and Other Receivables

	2021	2020
	\$	\$
CURRENT		
Accounts receivable	178,250	225,355
Provision for doubtful debts	(12,500)	(29,180)
Other receivables	92,034	92,387
Total current trade and other receivables	257,784	288,562

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

6 Inventories

	2021	2020
	\$	\$
CURRENT		
At cost:		
Stock on hand	8,069	7,495
Total inventories	8,069	7,495

7 Other Financial Assets

	2021	2020
	\$	\$
NON-CURRENT		
Queensland Community Foundation	10,000	10,000
Total other financial assets	10,000	10,000

Notes to the Financial Statements
For the Year Ended 30 June 2021

8 Property, plant and equipment

	2021	2020
	\$	\$
LAND AND BUILDINGS		
Freehold land		
At fair value	2,890,000	2,890,000
Total Land	2,890,000	2,890,000
Buildings		
At fair value	10,548,906	10,515,580
Accumulated depreciation	(3,719,434)	(3,161,549)
Total buildings	6,829,472	7,354,031
Total land and buildings	9,719,472	10,244,031
PLANT AND EQUIPMENT		
At cost	-	-
Plant and equipment		
At cost	1,943,421	1,845,928
Accumulated depreciation	(1,456,149)	(1,284,338)
Total plant and equipment	487,272	561,590
Furniture, fixtures and fittings		
At cost	384,354	384,354
Accumulated depreciation	(305,580)	(279,423)
Total furniture, fixtures and fittings	78,774	104,931
Motor vehicles		
At cost	130,444	130,444
Accumulated depreciation	(92,813)	(83,930)
Total motor vehicles	37,631	46,514
Computer software		
At cost	137,265	137,265
Accumulated depreciation	(137,144)	(125,911)
Total computer software	121	11,354
Total plant and equipment	603,798	724,389
Total property, plant and equipment	10,323,270	10,968,420

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Notes to the Financial Statements For the Year Ended 30 June 2021

9 Other Assets

	2021	2020
	\$	\$
CURRENT		
Prepayments	106,417	127,255
Total other assets	106,417	127,255

10 Trade and Other Payables

	2021	2020
	\$	\$
CURRENT		
Trade payables	155,119	126,995
Accrued wages	151,625	146,218
Accrued income	-	68,087
Other payables	233,445	163,670
Loan Funding	166,987	151,958
Total trade and other payables	707,176	656,928

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying amounts are considered to be a reasonable approximation of fair value.

11 Other Liabilities

	2021	2020
	\$	\$
CURRENT		
Committed funds	287,465	227,000
Total other liabilities	287,465	227,000

12 Employee Benefits

	2021	2020
	\$	\$
Current liabilities		
Long service leave	276,173	195,331
Employee benefits	335,524	363,754
Total current employee benefits	611,697	559,085
Non-current liabilities		
Long service leave	38,334	58,943
Total non-current employee benefits	38,334	58,943

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Notes to the Financial Statements For the Year Ended 30 June 2021

13 Members' Guarantee

The Company is incorporated under the *Australian Charities and Not-for-profits Commission Act 2012* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$ 2 each towards meeting any outstandings and obligations of the Company.

14 Retrospective restatement

(a) During the 2021 financial year it was noted that the buildings held by the entity were being incorrectly depreciated. The current year and the comparative year have been updated to correct this adjustment.

The aggregate effect of the error on the annual financial statements for the year ended 30 June 2020 is as follows:

	Previously stated \$	30 June 2020 Adjustments \$	Restated \$
Statement of Profit or Loss and Other Comprehensive Income			
Depreciation	473,751	329,638	803,389
Total comprehensive income for the year	265,105	(329,638)	(64,533)
Statement of Financial Position			
Buildings accumulated depreciation	1,300,984	1,860,565	3,161,549
Retained earnings	11,254,872	(1,860,565)	9,394,307

15 Contingencies

In the opinion of those charged with governance, the Company did not have any contingencies at 30 June 2021 (30 June 2020:None).

Notes to the Financial Statements

For the Year Ended 30 June 2021

16 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2021	2020
	\$	\$
Profit for the year	2,848,653	(64,533)
Non-cash flows in profit:		
Depreciation and amortisation expense	769,357	803,389
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	30,778	183,077
- (increase)/decrease in prepayments	20,839	(62,564)
- (increase)/decrease in stock on hand	(574)	(4,744)
- increase/(decrease) in trade and other payables	110,715	(14,217)
- increase/(decrease) in provision employee entitlements	32,002	86,520
Cashflows from operations	3,811,770	926,928

17 Events after the end of the Reporting Period

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

18 Statutory Information

The registered office of the company is:

Hear and Say - Centre for Deaf Children
PO Box 930
Toowong
Brisbane QLD 4066

Hear and Say - Centre for Deaf Children Limited

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Director's Declaration

The directors have determined that the Company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 2 to the financial statements.

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 2 to 13, are in accordance with the *Australian Charities and Not-for-profits Commission Regulation 2013* and:
 - (a) comply with Accounting Standards as stated in Note 1 and 2; and
 - (b) give a true and fair view of the Company's financial position as at 30 June 2021 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 2 to the financial statements.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director 

Director 

Dated this 8 day of December 2021

AUDITOR'S INDEPENDENCE DECLARATION

As auditor for the audit of Hear and Say – Centre for Deaf Children for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

- (i) no contraventions of the independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink that reads 'j croston'. The signature is written in a cursive style with a long horizontal stroke at the end. Below the signature is a dotted line.

.....

Jason Croston, FCA
Registered Company Auditor
Brisbane
SRJ Walker Wayland

Dated: 9 December 2021

INDEPENDENT AUDITOR'S REPORT

To the Members of Hear and Say – Centre for Deaf Children.

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Hear and Say – Centre for Deaf Children, which comprises the statement of financial position as at 30 June 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statement, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the financial report of Hear and Say – Centre for Deaf Children has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2021 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1, and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Company's financial reporting responsibilities under the ACNC Act. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of Directors 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 and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the ACNC Act and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

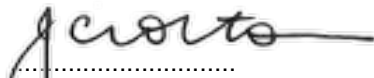
As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting, from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Company.
- Conclude on the appropriateness of directors' use of the going concern basis of accounting and based, on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to

the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



.....
Jason Croston
SRJ Walker Wayland
Director

Date: 9 December 2021

Address: Unit 3, 27 South Pine Road, BRENDALE QLD 4500