

celebrating
* 10 years
the hear and say centre

Annual Report 2001/02

The Hear and Say Centre for children who are deaf or hearing impaired and their families



Mission Statement

To enable families to teach their children who are deaf or hard of hearing to listen and speak

We Believe

- that each family and their child who is hearing impaired is unique
- that children with impaired hearing can learn to develop Auditory Verbal communication skills which will enable them to attend their local schools and be part of mainstream hearing society
- that it is essential to provide a warm family atmosphere where dedicated teachers, therapists and audiologists work with the family as a team

10 Years at Hear and Say

Milestones

1992

The Hear and Say Centre opens its doors in Toowong with six children



1993

Maddi Callaghan (2) (left) is first Centre child to receive a cochlear implant



1994

Dyanna Shrestha (3) from Nepal is first overseas child to join Centre program and be implanted

1995

Centre buys donor database system and sends first direct mail appeal



1996

Association with Thiess Contractors and Suncorp Metway enables Centre to increase staff and take more children

1997

Centre opens Queensland's first Children's Cochlear Implant Unit



1998

First home of our own. Centre purchases a former church at Auchenflower and starts renovations to include teaching rooms, playgroup areas and audiological unit

Outreach program started to help families with deaf children unable to get to Brisbane for regular therapy

1999

Gold Coast Centre opens at Benowa

2000

New Darling Downs Centre opens at Dalby
Centre invited to join Co-operative Research Centre for Cochlear Implant and Hearing Impaired as supporting party

North Queensland Centre opens in Cairns
Centre welcomes its 100th child currently enrolled and initiates Parent/infant program



2001

Centre commences pilot program for Infant Hearing Screening



2002

Premier Peter Beattie and Vice patron Wally Lewis launch videoconferencing to provide therapy for rural and regional Queensland children

Centre starts first Auditory-Verbal Therapy training workshop for allied professionals
Centre proposed in Nambour for Sunshine Coast children



Front cover: Live butterflies were released for Butterfly Week and Sarah Norton (5) lent a shoulder to one fluttering by.

Photograph: The Courier Mail.

Chairman's Report

Our tenth anniversary has been a very special one for Hear and Say and I reflect with a great deal of pride on our progress and achievements, not only during the past twelve months but also during our first decade.

We have continued our tradition of successful service delivery and we have grappled with the challenges of an ever growing business, the responsible need for expansion and the funding requirements that are integral to that process.

During this year, the numbers of children attending the Centre have rapidly increased, which is in itself a testament to the dedication of our staff, their expertise in the use of the methodology and the effectiveness of our work. Our children continue to reach potential as we work with them and their families in our holistic centre atmosphere and to meet need we have opened a Centre in Cairns and we expect to open a Sunshine Coast Centre in Nambour later this year. This makes a total of five and is in line with our Board's policy of taking our services to where the children are.

Plans to relocate our Gold Coast Centre from Robina to Benowa are advancing and with corporate and community generosity we are purchasing our own property. This has meant that we can build a Centre, specific to child need which will allow us to provide services for increasing numbers of children in this rapidly growing area.

Our new infant screening and habilitation program "Deaf Babies Must Not Wait" has been tested and will be launched with the support of Energex later this year. I predict this will be our most successful venture yet as already we are accepting children at a much younger age which, of course, can only benefit their social integration and ability to mainstream.

Earlier this year our Auchenflower Centre was privileged to have a visit from the Premier, Peter Beattie, who launched our videoconferencing service for rural and regional Queensland children who are deaf. This new service means our therapist can sit in our Brisbane Centre and give lessons live on camera to parents and their deaf/hearing impaired child.

Also, I think Mr Beattie's comments on our Centre are worth repeating. He said: "I speak a lot about the Smart State these days and, when I think of the Hear and Say Centre and its use of the hearing biotechnology like the cochlear implant, I know it to be true. Ninety two per cent of its graduates enter mainstream education and I think this is a tremendous result."



State Minister for Disabilities, Judy Spence, with Centre Chairperson, Jane Black, at the Hear and Say Centre's Graduation Ceremony

Our Centres were also visited by other prominent political figures during the year. Mrs Jeannete Howard, wife of the Prime Minister, accepted an invitation to visit our North Queensland Centre in Cairns and State Cabinet Ministers, Minister for Education Anna Bligh and Minister for Disabilities, Judy Spence came to our Brisbane Centre.

The one event this year, which I trust and hope will impact most on our future, was our invitation to be part of a representative Working Party set up by the Minister for Education to report on current educational services for deaf/hearing impaired children and students in Queensland and to make recommendations on future service provisions and service delivery.

It is our opportunity to promote Auditory-Verbal Therapy as a way of learning to listen and speak and I am eagerly looking forward to hearing the recommendations when they are made to the Minister in December.

During the year your Board received with regret the resignation of Sister Mary Lawson to pursue her studies. Sister Mary was with our Board for ten years and we greatly appreciate the invaluable contribution she made during that time. She has been replaced by Brisbane lawyer, Brad McCosker.

Another director, Kate Batch, was the first Centre parent to be elected to our Board and has resigned for family reasons. Thanks to Kate's input on matters concerning our parents, the notion of having a parent as a director has been most successful and another Centre parent, Alexandra Bell has joined us.

Another new volunteer this year to whom I am indebted is our Company Secretary, Kathleen Clothier, who is also a Brisbane

lawyer. Her experience and professionalism have contributed greatly to the governance of the Centre.

The voluntary work our Board members do for our Centre with such enthusiasm never ceases to impress me. My role as Chairman is made so much more enjoyable and satisfying knowing their skills and commitment are always available and particularly their dedication to the children and their families.

I would also like to thank all staff for their contribution to a year which as this report makes clear has been a highly challenging and demanding one.

Finally, as we look to the future with confidence, may I just remind you of the reason the Hear and Say Centre started ten years ago.

Our aim then was to enable the children in our care to move freely and happily in the hearing and speaking world. We called it integration.

We embraced Auditory-Verbal Therapy and its emphasis on listening and speaking only.

Today our philosophy is unchanged. If anything our work has been given greater impetus by rapidly developing hearing technology which dovetails so well with our therapy program.

Your support means that our children are able to integrate and communicate in the world of sound and achieve a quality of life, hitherto thought unimaginable.

With gratitude, I thank you for that support.

Jane Black
Chairman

Clinical Director's Report

This year marks the tenth anniversary since I started the Hear and Say Centre with 6 children in a tiny room. It seems the appropriate time to reflect on the major changes I have seen during the past 10 years regarding the way in which society views hearing impairment and the contribution of the Hear and Say Centre to these changes.

The picture of a typical child with severe hearing loss in 1992 in Queensland included a late diagnosis (around 2-3 years) and hearing aids being fitted later, and late enrollment in an education program.

The focus of the child's education was on vision, using lip-reading and signing. The signing often developed to the detriment of listening and speaking. The average level for signing ability of the parents was equal to Grade 3 and the age level of the child's reading ability attained was about equal to Grade 4 level.

Children were withdrawn from the group for a short time for "auditory training," and there was no listening emphasis throughout the day.

Parents did not attend lessons and few people believed that children with hearing loss could be integrated into regular classrooms.

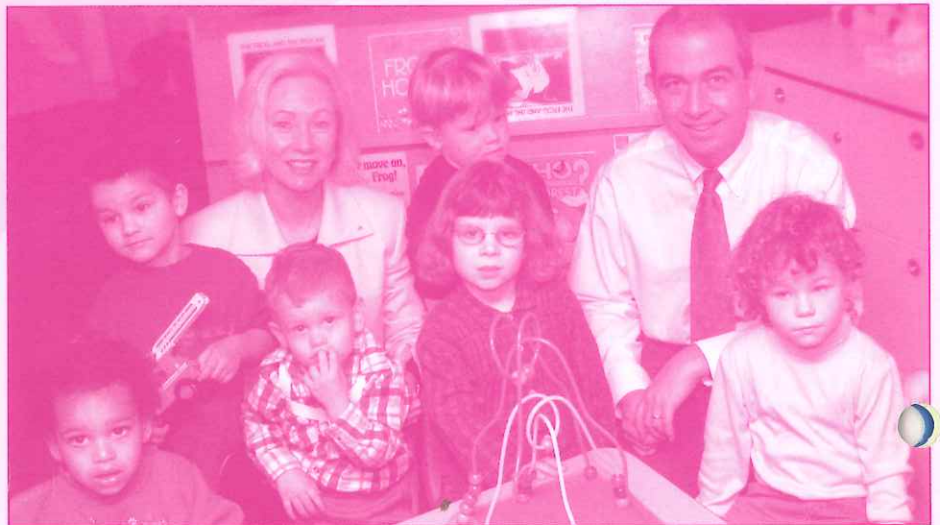
Auditory-Verbal Therapy proponents were few worldwide and often ridiculed. Cochlear Implants and digital hearing aids were seen by many as "experimental" and "highly dangerous".

The idea that children with severe, profound or total hearing loss could learn to listen and speak was regarded as little more than fantasy. Children who were deaf, behaved and communicated differently to hearing children because they were out of touch with the hearing world, and because they were educated in groups with other deaf children.

Over the past 10 years, many individuals worldwide have contributed to the vast changes evident today in society's view of a child who is deaf or hearing impaired.

Thanks to the achievements of the children who have attended the Hear & Say Centre, we have made significant contributions to the views held by society in our state of Queensland.

The changes currently occurring in society's view of hearing impairment have been driven by the fact that the development of new hearing technology, cochlear implants and digital hearing aids, mean that children who are deaf are not destined to live without sound. Parents can now take the leading role in teaching their own children and, at the Hear and Say Centre we show the parents how to do this.



New Board Member, Brad McCosker visits Brisbane playgroup with Dimity Dornan

As we face our next 10 years we have some huge challenges.

We need to set a firm funding foundation for the future of the Hear & Say Centre especially to increase our corporate donors and our 11% existing government funding.

We need to extend our boundaries to keep up with the impetus of technology so that more children may benefit by the Hear & Say Centre's work. Already we are an innovator and leader in the field of diagnosis and intervention for newborn babies.

Training courses

We now need to provide training courses to allow other professionals to become proficient in the techniques used at the Hear & Say Centre. Our philosophy of dovetailing new hearing technology with Auditory-Verbal Therapy is producing excellent outcomes. There are few clinics world-wide that specialize in this work and the knowledge is much in demand. This year we ran a course for professionals and parents from Singapore, Brunei and New Zealand as well as Australian professionals. This means that the Hear and Say Centre is extending its interests to assisting children in our neighbouring Australasian countries.

We will be continuing our liaison with international bodies such as Auditory-Verbal International and research bodies such as the C.R.C. for Cochlear Implants and Hearing Aid Innovation with Board representation.

New incentives have included establishing longitudinal research to validate our excellent outcomes.

Today in 2002, the Hear and Say Centre has helped to change Queensland society's view of hearing loss, and showed that what was once viewed as impossible is now achievable.

In summary, the first 10 years have involved setting new standards in working with hearing impaired children in Queensland and breaking down barriers. I believe that the next 10 years will see the consolidation of our work, the building of new professional liaisons and training programs, the production of more outcomes research results and a multitude of changes to keep up with new technology. The Hear and Say Centre will also expand its assistance to help more children in Australasia. Professionals will be able to build on our unique model to set up similar centres in other areas of the world.

In the meantime, I would like to not only congratulate and thank our Chairman and Board, all of our 20 staff and valued volunteers but also our special parents and the children who have made it worthwhile.

I look forward to the future.

Dimity Dornan
Clinical Director

Gold Coast

This year has been one of exciting growth for the Gold Coast Program. We now have twenty-six children from the Gold Coast and Northern New South Wales receiving a service from Hear and Say.

We have very quickly outgrown our room at Benowa, generously donated over the past three years by Mark and Ceris Ash, who are graduated parents.

We have employed a part-time fundraiser, Fran Williams, to help meet our increasing needs on the Gold Coast. She has been a revelation to the Gold Coast Program, helping to increase our public profile. Richard Bryan of Robin Gibson & Partners has generously donated plans for our new building at Varsity Lakes. We anticipate a move from our Benowa room in March 2003.

Two new Auditory-Verbal therapists, Moira Lockhart and Fiona Toohey have been employed to help provide a four-day/ week service on the Gold Coast.

I would like to take this opportunity to thank them for their hard work this year. Four of our original children, who began sessions at Benowa in July 1999, are graduating and going to Year One in their local schools in the new year.

Our cochlear implant children received a great gift with Centre audiologists Lia Lassig and Emma Rushbrooke travelling to Benowa to provide a MAPPING service on site every month.

We have a number of generous donors to thank for our continued presence on the Coast, including Commonwealth Non-Schools Organisation, Rotary Club of Surfers Paradise Central, Gold Coast Children's Society and a number of service and community clubs based on the Gold Coast.

I look forward to another amazing year of growth and change for our Gold Coast Program.

Teresa Daniel
Co-ordinator, Gold Coast



Famous Australian athlete and President of the Council for the Encouragement of Philanthropy in Australia, Ron Clarke, with fellow guest speaker and Centre graduate, Megan Rowe at Brisbane's Charity Ball. Mr Clarke presented the Centre with a cheque from the Council for \$50,000.

North Queensland

The past year has been a very exciting, very busy one for the Hear and Say Centre, North Queensland. The centre, based in Cairns, has been operating from its new premises in Sheridan Street since January this year.

The large office space, which began as an empty room with concrete floors, is now an attractive premises with storage space aplenty; a sound treated, air-conditioned therapy room and a well equipped playgroup area. This has been made possible with thanks to the ongoing support of Thiess, Rotary and other Service Clubs and small businesses in the region.

The centre was officially opened by Cairns Mayor, Kevin Byrne. The occasion was well attended by the many supporters of the centre and by Bruce and Jane Black, Joan Newton, Jim Fagan and Dimity Dornan from the Brisbane centre.

The Hear and Say Centre Nth Qld now provides Auditory-Verbal Therapy and/or Audiological services to 12 children around the North Queensland region including Cairns, Mareeba, Mossman, Atherton, Ingham and Townsville.



Lesson time for therapist Emma Rushbrooke and our first child in our Parent Infant Program, Maria Strong

This year Emma Rushbrooke, Clinical Manager and audiologist, visited from Brisbane every 3 months to MAP the Cochlear Implant children and provide additional audiological services. Dimity Dornan, Clinic Director and Certified Auditory-Verbal Therapist, visited every term to conduct assessments and provide training.

Continued over page.

The Holiday Inn Cairns has continued to offer their hospitality to our visiting Brisbane staff. Australian Hearing Cairns has been most welcoming and has, this year, offered the use of rooms and audiological equipment at their centre.

The centre has run a very successful Reverse Integration Playgroup every Monday, which has been well supported by families enrolled in the centre's program and by parents of normally hearing children. Many of the resources used in the playgroup have been provided by Parents and Friends and by Jigsaw Educational Resources. Volunteers, Mary-Ann Vella and Judy Tregonning, have been integral to the efficient management of the playgroup sessions.

The families enrolled in the North Queensland centre are a dedicated group, committed to the program and determined to give their deaf children the brightest future. Some parents travel, with their children, for 3 or 4 hours to attend the centre. All parents are extremely grateful for the establishment of a Hear and Say Centre in the North and the stresses on families has been greatly relieved. Daycare Centres, Kindergartens and Schools attended by the centres children are also very grateful for the regular contact and support they receive.

Kerrie Endres
Co-ordinator, North Queensland

Darling Downs

This year we welcomed Josie Hughes into our group and realised that it would be necessary to find somewhere for us to work that was convenient for everyone.

I approached John Ruhle, the business banking manager at Suncorp Dalby and he was extremely helpful, finding us a room at the Uniting Church in Dalby. Reverend Ron Watson was very accommodating and we have been meeting there weekly since the beginning of this year.

On occasion I catch up with Rosie, Jacob and Joseph Skerman at school. The staff at Dalby Christian School have been very supportive of them and they are excelling as a result of their care and attention.



Mrs Jeanette Howard, wife of the Prime Minister, with Samuel Endres and North Queensland Centre Co-ordinator, Kerrie Endres

During Butterfly Week many Dalby businesses supported our fundraising efforts. We managed to raise over \$800 locally through the sale of butterfly badges. We also received great support from the Dalby Herald who printed two stories leading up to the week. As a result of this coverage we have welcomed Mathew Cook to the Centre.

Most recently our families have supported the efforts of Judy and John Savage by participating in the Truck Thunder convoy they organised from Toowoomba to Oakey. It was a great day and they worked really hard to put it all together.

This past year and a half has been a good one and I am very fortunate to work with such motivated and dedicated parents. Our geography places greater strains on these parents. All but one family live out of town, including myself. Parents must travel to me for lessons and these days usually include the weekly shopping and errands as well. All this makes for a long day. Parents also travel for ENT and audiology appointments. These services are not available locally so parents must set aside an entire day or more for these necessary trips.

This coming year sees us looking for a permanent space in Dalby. At present, this means only a room so that we have a presence in the community and some much needed storage space for all of the resources we are collecting. The parents and I will also be putting our heads together with regards to a local fundraising event.

Wendy Caldwell
Co-ordinator, Darling Downs



*Dalby playgroup 2000-2001.
Top: Jacob, Joseph and Rosie Skerman.
Below: Noah and Charlotte Skerman, Josie and Abby Hughes. Charlotte and Abby are hearing children.*

**Help secure the future
for deaf children**



Give the gift of hearing and speaking

By nominating the Hear and Say Centre in your Will, you can make an everlasting gift to a deaf child.

For a bequest brochure, please contact Robyn Symons, Development Manager

Tel: 3870 2221

Fax: 3870 3998

Email: Robyn@hearandsaycentre.com.au

Financial Statements

for the financial year ended 30 June 2002

Director's Report

for the year ended 30 June 2002

Directors

The directors submit the financial report of Hear and Say – Centre for Deaf Children Limited for the financial year ended 30 June 2002.

The directors who held office during the year and up to the date of this report, including disclosure requirements pertaining to each director, are as follows:

Name	Qualifications, Experience and Special Responsibilities
Jane Black	Chairman A member of the Board since November 1995 Meetings eligible to attend: 7 Meetings attended: 7
Bruce Black	Medical Practitioner A member of the Board since February 1993 Meetings eligible to attend: 7 Meetings attended: 5
Sister Mary Lawson	Senior Education Officer – Catholic Education A member of the Board since November 1995 Resigned December 2001 Meetings eligible to attend: 2 Meetings attended: 2
Paul McDermott	Company Director Appointed February 1997 Meetings eligible to attend: 7 Meetings attended: 6
Peter Sheehy	Civil Engineer Appointed February 1997 Meetings eligible to attend: 7 Meetings attended: 4
Richard Keylock	Engineer Appointed May 2000 Meetings eligible to attend: 7 Meetings Attended: 6
Alan Whidburn	Business Quality Manager Appointed February 1997 Meetings eligible to attend: 7 Meetings attended: 4
Paul Laxon	Tax Consultant Appointed June 1999 Meetings eligible to attend: 7 Meetings attended: 6
Kate Batch	Teacher Appointed August 2000 Resigned December 2001 Meetings eligible to attend: 2 Meetings attended: 2
Alexandra Bell	Parent Appointed April 2002 Meetings eligible to attend: 2 Meetings attended: 1
Brad McCosker	Solicitor Appointed October 2001 Meetings eligible to attend: 5 Meetings Attended: 4

Company Secretary

Kathleen Clothier **Solicitor**
Appointed May 2002
Meetings eligible to attend: 1
Meetings attended: -

Meetings of Directors

During the financial year seven meetings of directors were held. The number of meetings attended by each director for the financial year ended 30 June 2002 is stated in this report.

Principal Activities

The principal activity of the company remained unchanged during the year and is to act as a charitable body operating as a rehabilitation centre for the hearing impaired children in Queensland, Australia.

Review of Operations

There were no significant changes in the operations of the company during the financial year.

Significant Changes

There were no significant changes in the state of affairs of the company during the financial year, other than as reflected in the attached financial report.

Likely Development

At the date of this report there are no likely developments which would substantially affect the operations of the company, or the expected results of those operations.

Operating Results

The operating surplus for the financial year after tax amounted to \$215,123 (2001 \$238,473)

Dividends

The Constitution provides that no dividends may be paid to members.

Matters Subsequent to Balance Date

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 the financial years subsequent to the year ended 30 June 2002, other than as stated elsewhere in this report.

Environmental Issues

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Member's Proceedings

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

Directors and Auditors Indemnification

The company has not, during or since the financial year, in respect of any person who is or has been an officer or auditor of the company or a related body corporate indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings.

During the financial year the company has paid premiums to insure each of its directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of officer of the company, other than conduct involving a wilful breach of duty in relation to the company. The aggregate premium paid was \$1,700 (2001: \$2,230).

Signed in accordance with a resolution of the directors.

Director

Brisbane

Dated: 12 December 2002

Director

Director's Declaration

for the year ended 30 June 2002

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 5 to 14.
 - (a) comply with accounting standards and the Corporations Act 2001; and
 - (b) give a true and fair view of the financial position of the company as at 30 June 2002 and of performance for the year ended on that date as represented by the results of operations and cash flows.
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

Brisbane

Dated: 12 December 2002

Director

Financial Statements

for the financial year ended 30 June 2002

Statement of Financial Performance

for the year ended 30 June 2002

	Note	2002 \$	2001 \$
Revenue from ordinary activities	2	1,041,919	894,740
Borrowing Costs		(2,235)	(3,940)
Other expenses from ordinary activities, excluding borrowing costs	3	(824,561)	(652,327)
Profit from ordinary activities before income tax	12	215,123	238,473
Income tax expense	1(d)	-	-
Net Profit from ordinary activities after income tax expense attributable to members		215,123	238,473

This statement should be read in conjunction with the accompanying notes.

Statement of Financial Position

for the year ended 30 June 2002

	Note	2002 \$	2001 \$
Current Assets			
Cash assets	4	351,681	169,400
Other financial assets	5	9,422	9,843
Receivables	6	41,047	-
Intangibles	7	71	186
Total Current Assets		402,221	179,429
Non-Current Assets			
Property, plant and equipment	8	983,406	975,763
Total Non-Current Assets		983,406	975,763
Total Assets		1,385,627	1,155,192
Current Liabilities			
Payables	9	27,365	-
Interest-bearing liabilities	10	14,502	22,837
Provisions	11	16,996	10,297
Total Current Liabilities		58,863	33,134
Non-Current Liabilities			
Interest-bearing liabilities	10	-	12,565
Provisions	11	7,879	5,731
Total Non-Current Liabilities		7,879	18,296
Total Liabilities		66,742	51,430
Net Assets		1,318,885	1,103,762
Members' Funds			
Retained profits		1,318,885	1,103,762
Total Members' Funds	12	1,318,885	1,103,762

This statement should be read in conjunction with the accompanying notes.

Statement of Cash Flows

for the year ended 30 June 2002

	Note	2002 \$	2001 \$
Cash Flows From Operating Activities			
Receipts from members and others		1,033,338	922,144
Payments to suppliers and employees		(758,690)	(627,589)
Interest received		844	1,698
Interest paid		(2,235)	(3,824)
Net Cash (Used)/ Provided by Operating Activities	15	273,257	292,429
Cash Flows From Investing Activities			
Payment for property, plant and equipment		(70,076)	(172,376)
Net Cash (Used)/ Provided by Investing Activities		(70,076)	(172,376)
Cash Flows From Financing Activities			
Repayment of borrowings		(20,900)	(18,801)
Net Cash (Used)/ Provided by Financing Activities		(20,900)	(18,801)
Net (Decrease)/ Increase in Cash		182,281	101,252
Cash at beginning of year		169,400	68,148
Cash at end of year	4	351,681	169,400

This statement should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

for the financial year ended 30 June 2002

Note 1 - Statement of Significant Accounting Policies

Hear and Say – Centre for Deaf Children Limited is a company limited by guarantee and is incorporated and domiciled in Australia. The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair value of the consideration given in exchange for assets. The accounting policies have been consistently applied, unless otherwise stated.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report.

(a) Property, Plant and Equipment

Property, plant and equipment are brought to account at cost, less, where applicable, any accumulated depreciation or amortisation. The carrying amount of property, plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount of the assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

The depreciable amount of all fixed assets, excluding freehold land, are depreciated over their anticipated useful lives commencing from the time the asset is held ready for use using the diminishing value method of calculation for plant and equipment, and the prime cost method for buildings.

The depreciation rates used for each class of depreciable assets are:

Plant and equipment	20-40%
Buildings	2.5%

(b) 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 \$20 each towards meeting any outstanding obligations of the company. At 30 June 2002 the number of members was 162 (2001: 98).

(c) Reconciliation of Cash

For the purpose of the Statement of Cash Flows, cash includes cash on hand and at bank, net of outstanding bank overdrafts.

Notes to the Financial Statements

for the financial year ended 30 June 2002

(d) *Taxation*

The company is a registered charitable body exempt from income tax pursuant to section 50-5 of the Income Tax Assessment Act.

(e) *Charitable Body*

The company is a charitable body operating as a rehabilitation centre for hearing impaired children.

(f) *Revenue*

Revenue from donations and grants is recognised upon receipt. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.



GST

All elements in the Statement of Financial Performance are stated exclusive of GST. Receivables and Payables in the Statement of Financial Position are stated inclusive of GST. For the purposes of the Statement of Cash Flows, GST received and GST paid on all activities are recorded on a gross basis and are included in receipts from customers and payments to suppliers respectively.

(h) *Comparative figures*

Where required by accounting standards, comparative information has been adjusted to conform with presentation changes of the current financial year.

	2002 \$	2001 \$
Note 2 – Revenue From Ordinary Activities		
<i>Operating Activities</i>		
Grants and subsidies	242,927	191,228
Special Events	272,980	351,386
Donations	365,363	227,407
Other Operating Revenue	159,805	123,021
<i>Non-operating Activities</i>		
Interest Income	844	1,698
Total Revenue from Ordinary Activities	1,041,919	894,740

Note 3 – Expenses From Ordinary Activities Excluding Borrowing Costs

Depreciation	62,433	54,366
Employee Benefits	461,724	365,295
Rental expenses on operating leases	2,618	3,367
Events Related Expenses	92,067	64,364
Other expenses from ordinary activities	205,719	164,935
	824,561	652,327

	2002 \$	2001 \$
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	2002 \$	2001 \$
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Note 4 – Cash Assets

Cash at bank and on hand	351,681	169,400
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Included in cash is \$186,000 that has been set aside for the purchase of a Gold Coast property out of which the Gold Coast centre will be based.

Note 5 – Other Financial Assets

Investment - Queensland Community Foundation	9,422	9,843
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Note 6 – Receivables

Trade Debtors	35,315	–
Deposit – Land held for Development	5,000	–
GST Receivable	732	–
	41,047	–

Note 7 – Intangibles

Capitalised borrowing costs	71	186
(a) Capitalised borrowing costs	575	575
Less: accumulated amortisation	504	389
	71	186

Note 8 - Property, Plant and Equipment

Land and Buildings - at cost	894,009	856,104
Less Accumulated depreciation	57,571	35,293
	836,438	820,811

Plant and equipment - at cost	286,725	254,553
Less Accumulated depreciation	155,790	120,294
	130,935	134,259

Motor Vehicles	21,894	21,894
Less Accumulated depreciation	5,861	1,201
	16,033	20,693

Total property, plant and equipment	983,406	975,763
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Current year movements in property, plant and equipment were as follows:

	Land & Buildings	Plant & Equipment	Motor Vehicles	Total
Note 8 - Property, Plant and Equipment cont.				
Opening Balance	820,811	134,259	20,693	975,763
Additions	39,714	30,362	–	70,076
Disposals	–	–	–	–
Depreciation	(22,277)	(35,496)	(4,660)	(62,433)
Closing Balance	836,438	130,935	16,033	983,406

Note 9 - Payables

Trade creditors	8,125	–
Revenue Received in Advance	19,240	–
	27,365	–

Note 10 – Interest-bearing liabilities

Current

Loan - Metway Bank (secured)	14,502	22,837
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Non-current

Loan - Metway Bank (secured)	–	12,565
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The bank loan is secured by a mortgage over the property located at 44 Munro Street, Auchenflower.

Note 11 - Provisions

Current

Provision for Annual Leave	16,996	10,297
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Non-Current

Provision for Long Service Leave	7,879	5,731
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Number of employees at balance date	16	14
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Note 12 – Movement in Members' Funds

Opening Members' Funds	1,103,762	865,289
Add Net Surplus for year	215,123	238,473
Closing Members' Funds	1,318,885	1,103,762

Note 13 - Directors' Remuneration

Income received or due and receivable by the directors of the company	–	–
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Number of directors whose income was within the following band:	No.	No.
\$0 – \$9,999	11	9

Notes to the Financial Statements

for the financial year ended 30 June 2002

Note 13 - Directors' Remuneration cont.

The names of directors who have held office during the financial year are:

Bruce Black
 Jane Black
 Paul McDermott
 Peter Sheehy
 Alan Whidburn
 Paul Laxon
 Richard Keylock
 Kate Batch (*resigned December 2001*)
 Brad McCosker (*appointed October 2001*)
 Alexandra Bell (*appointed April 2002*)
 Sister Mary Lawson (*resigned December 2001*)

Note 14 - Segment Reporting

The company operates wholly within the public charitable industry within Australia.

	2002	2001
	\$	\$

Note 15 - Reconciliation of Cash Flows From Operating Activities With Surplus From Ordinary Activities After Income Tax:

Surplus from ordinary activities after income tax	215,123	238,473
<i>Non-cash flows in operating surplus:</i>		
Depreciation and amortisation	62,548	54,366
Decrease in Value of Investment	421	77
<i>Changes in assets and liabilities:</i>		
(Increase)decrease in other assets	(41,047)	115
Increase (decrease) in other creditors	19,240	(4,356)
Increase (decrease) in accounts payable	8,125	-
Increase (decrease) in provisions	8,847	3,754
Cash flows from operating activities	273,257	292,429

Note 16 - Financial Instruments

(a) Interest Rate Risk

The entity's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates, and the effective weighted average interest rates on those classes of financial assets and financial liabilities, is as follows:

Cash and investments bear normal variable commercial rates. The secured bank loan bears a variable interest rate of 6.8%. All other significant financial assets and financial liabilities are non-interest bearing.

(b) Net Fair Values

For all assets and liabilities, the net fair value approximates their carrying value. No financial assets or financial liabilities are readily traded on organised markets in standardised form. The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the Statement of Financial Position and in the notes to the financial statements.

Independent Audit Report to the Members of Hear and Say - Centre for Deaf Children Limited

Scope

We have audited the financial report, being the Directors' Declaration, Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows and Notes to the Financial Statements, as set out at pages 4 to 14, of Hear and Say Centre for Deaf Children Limited for the year ended 30 June 2002. The company's directors are responsible for the financial report. We have conducted an independent audit of this financial report in order to express an opinion on it to the members of the company.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Australian Accounting Standards and other mandatory professional reporting requirements and statutory requirements in Australia so as to present a view of the company which is consistent with our understanding of its financial position and performance as represented by the results of its operations and cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Qualification

It is not practical for the company to maintain complete control over all receipts prior to them being recorded in the books of account. As there are no practical audit procedures to quantify the effect of this, we are unable to express an opinion on such receipts prior to them being recorded in the books of account.

Qualified Audit Opinion

In our opinion, except for the effects, if any, of the matter referred to in the qualification paragraph, the financial report of Hear and Say Centre for Deaf Children Limited is in accordance with:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2002 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations; and
- (b) other mandatory professional reporting requirements in Australia.

BDO Kendalls

BDO Kendalls

TJ Kendall

TJ Kendall
Partner

Brisbane

Dated: 12 December 2002

Thank you to our Donors

The Hear and Say Centre appreciates and recognises the support of our major sponsors

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Commonwealth Special Education Non Schools Organisation
Disability Services Queensland

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Parents & Friends Committee
Rotary Club of Surfers Paradise
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Individuals

Dr & Mrs B Black
Mr H J Baker
Mr & Mrs D Bell
Mr M Fischer
Ms J Gill

By giving to our fundraising appeals, contributing to our special projects or attending our major events, our friends and supporters have helped us to continue our high standard of service to our young children and their parents. Following is a list of those who made substantial contributions during the financial year.

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Quota International of Redcliffe
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Sicilian Association Inc.

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Blinky Bill's Children's Centres
John Paul College
Padua College
St Edmund's College
St Rita's College
Trinity College

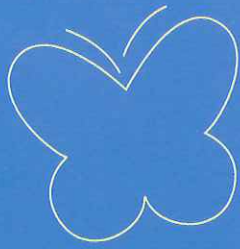
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The Hear and Say Playgroup is an integral part of our Auditory Verbal Therapy program.



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Darling Downs

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General Peter Arnison AC

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Jane Black

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