



Photo courtesy of Aaron Tait



annual report 2003/04

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

patron

Her Excellency
Ms Quentin Bryce AC
Governor of Queensland

vice patron

Wally Lewis

chairman

Jane Black

directors

Alex Bell
Bruce Black
Richard Keylock
Paul Laxon
Brad McCosker
Paul McDermott
Peter Sheehy
Tony Snape
Alan Whidburn

administration

General Manager
Chris Lassig

Operations Manager
Heather Wheatland

Executive Officer
Joan Newton

Managerial Assistant
Jane Thompson

Administration Assistant
Patti Wilson

Finance Officer
Ivana Cox

development

Development Manager
Robyn Symons

Manager Special Projects
Jim Fagan

Development Coordinator
Donna Kramer

child and parent services

Clinical Director
Dimity Dornan

Speech Pathologists
Teresa Daniel
Dimity Dornan
Charlene Hansen
Moirra Lockhart
Jayne Simpson

Teachers of the Deaf
Jackie Brown
Wendy Caldwell
Kerrie Endres
Roxanne Innes
Laurie Ludvigsen

Early Childhood Teacher
Sue Hayne

Audiologists
Liza Bowen
Lia Lassig
Emma Rushbrooke

Social Worker
Jane Black

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*

the hear and say adventure is...

- ▶ A registered charity where children who are hearing impaired learn to listen, understand language and to speak; and where the main objective is full integration into mainstream education.
- ▶ A unique early intervention learning opportunity for children who are hearing impaired and their families where each child's specific needs are met with a program which is intensive, personalised and educational.
- ▶ A children's cochlear implant program to twelve years of age.
- ▶ MAPping of the cochlear implant and assessment for cochlear implant children to eighteen years of age.
- ▶ Ongoing audiological management.
- ▶ The guarantee that the Centre's Auditory-Verbal teaching methods are of international standard.
- ▶ A Centre that offers parent guidance, counselling and support for the whole family.
- ▶ An experience which is made possible by the generosity of the Centre's friends and supporters.
- ▶ Auditory-Verbal Therapy which recognise the parents as the natural language teachers of the child.
- ▶ An Infant Hearing Screening Program.
- ▶ A Parent/Infant Program for newly diagnosed babies.
- ▶ An Outreach Program and Videoconferencing Service for country and isolated families.
- ▶ An Adolescent Program to encourage and promote social interaction and life skills.
- ▶ Four Outreach Centres located in North Queensland, the Sunshine Coast, the Darling Downs and the Gold Coast.

affiliations

- ▶ Auditory-Verbal International Inc.
- ▶ Alexander Graham Bell Organisation for Deaf Children
- ▶ Co-operative Research Centre for Cochlear Implant, Speech and Hearing Research.



chairman's report

It is my very great pleasure to introduce the 2003-2004 Chairman's report for the Hear and Say Centre for Deaf Children.

The past year has been one of great activity and growth, underpinned by some exciting initiatives and significant appointments. During this period of time, Hear and Say has responsibly recognised the need for the conscientious maintenance and nurturing of existing relationships with corporate and philanthropic organisations, Government, community and all other stakeholders, including our children and their families. We have also diligently worked towards developing new strategic initiatives with new partners, thus further enabling ongoing financial viability and long term sustainability.

With the generous assistance of Suncorp we have completed an extensive organisational strategic audit. This reflection tool has given us great insight into our ongoing obligations to ensure a stable and effective foundation for pending growth, and to implement further systems which will allow us to enhance our credibility and become more efficient, effective and accountable. This will allow us to be in a better position to meet the challenges of the contemporary environment and to forge our way to a successful future. Our special thanks must be offered to Melissa Anderson who has driven the process and who has shared her wisdom, knowledge and skills with us. She has become a mentor and a friend.

With the advent of the rollout of Newborn Hearing Screening, a Queensland Government initiative, we are expecting a greater demand on our intervention services. To this end we have continued to facilitate and develop our competencies in the provision of Auditory-Verbal Therapy services. We have demonstrated our commitment to ongoing research and development in conjunction with the Cooperative Research Centre (CRC). This work has been enhanced by our continuous recognition and involvement with biotechnology and hearing aid innovation.

Our ongoing partnership with Government has resulted in a successful submission for recurrent funding for Auditory-Verbal Educational Services. This additional grant will commence in July 2004 and will commission us to strengthen our Remote/Regional, Training, Adolescent and Parent Education Programs. Dr Robert Kidston was instrumental in the preparation of this extensive proposal and we thank him especially, for his macro- and micro-skills, exceptional conceptual abilities, insight and resourcefulness. He became an integral part of our team and the information gained from this project will assist in many areas of our future work.

Philanthropic relationships and partnerships are essential for our ongoing development and we were very fortunate to receive a generous sponsorship from the Runaway Bay Children in Need Trust. This funding will assist us to continue our specialised care of children who have a cochlear implant. On behalf of the Centre, the sponsored children and their families we thank the Runaway Bay trust for their support of our work in this biotechnical area which reflects world's best practice.

In January we welcomed Chris Lassig to Hear and Say as General Manager. This important appointment heralds a new era in our development. Chris brings to this position exceptional skills in the area of special and inclusive education through his longstanding experience with Education Queensland, an extensive understanding and knowledge of operational fundamentals in conjunction with, organizational savvy and well-honed leadership skills. He is empathetic and energetic and has already been instrumental in implementing core administrative and strategic planning processes.

The Governing Board has met on a regular basis to oversee the management and strategic directions of Hear and Say. With a General Manager now able to assume the operational and core administrative aspects of the Centre it is now possible for the Board to concentrate on governance and strategic planning. This will ensure that we are in a position to build the strategic planning processes on a stable platform and ensure our ability to interface with the complex demands of prospective future growth.

I would like to take this opportunity to thank Board members for their ongoing commitment to Hear and Say and for their extensive contributions, which have been most willingly given, both from a professional and personal perspective. These Board activities which have been undertaken in an exceptionally skillful, knowledgeable and dedicated manner will allow us to continue to strive to meet our longer term visions for our children and their families.

I would like to recognise the tireless work of the Centre's Executive team, staff, parents, children and our wonderful volunteers. Their dedication and devotion to all Centre activities have allowed us to meet the demands of a transdisciplinary environment, implicit within which, is the vigorous need to fulfill the ongoing and robust pressures constantly presenting in our quasi-educational, quasi-medical and quasi-disability setting.

I wish to thank all our loyal supporters, donors, strategic and corporate partners, philanthropic organisations and government sponsors for their generous participation. Your extensive contributions during this very successful year have facilitated our ability to maximize the communication development of our children. On behalf of the Board of Directors of the Hear and Say Centre, I commend this report to you.

Jane Black
Chairman



Chris Lasig, General Manager, with Ruby

general manager's report

Our twelfth year of Hear and Say has been one of growth and consolidation.

Our child numbers, staff levels and facilities have grown, whilst concurrently we have been focusing on 'reinvesting' in ourselves to ensure a solid foundation for our future.

In the words of a long-serving Hear and Say Centre team member "we have matured in many ways" in the past year. A key aspect of this process was the establishment of a General Manager position. I feel very privileged indeed to have been appointed to this position of enormous responsibility. I liken this role to that of a conductor given responsibility for a leading orchestra with a reputation for excellence and innovation. The orchestra has experienced, even legendary team members, cohesive sections and has performed to a range of audiences. However, due to its reputation the orchestra is in huge demand, which has placed it under enormous strain to ensure the ongoing quality of its' performance.

The role of the conductor, and indeed myself as General Manager of the Hear and Say Centre is to pull the team together—to ensure we all play from the same music sheets (our Strategic Plan), know the order of the performance (Annual Operation Plan), play together in unison (work as a team) and entertain the diverse audience (meet current and projected need).

Due to our rapid growth and projected increase in demand for services due to new initiatives especially Universal Newborn Hearing Screening, Hear and Say is currently at a crossroad in its development. Strategies put in place now will determine the nature of our future. With this in mind, considerable time was devoted this year to determining our current strategic position and future desired position (vision).

We have produced a number of documents that reflected on these positions, of particular note are the Hear and Say Centre Stimulus Paper and Financial & Demographic Forecast Document. We also consulted with our key stakeholders in a number of 'Reflection Events' thus enabling staff, parents, graduates and corporate friends to provide input into our future.

As part of our strategic processes an extensive Organisational Audit provided an invaluable insight into our organisation and highlighted a range of recommendations that when implemented will improve practice and ultimately outcomes for our Centre. Staff and Board members also engaged in an Organisation Effectiveness Profile, which provided additional information on areas of strength and potential improvement. The culmination of these processes will be the development of a Hear and Say Centre Strategic Plan (2005–2007) by the end of 2004. This document will be a pivotal navigational tool for the journeys we undertake in the coming years.

Whilst we have been focussed on our strategic processes, an emphasis on the operational aspects of Hear and Say has been vigorously pursued. Building on the leadership and vision of Joan Newton in her role of Executive Officer, the Management Committee has ensured that the tradition of collaborative decision-making has continued. This committee has played a critical role as the 'conduit' between the Board and the operational aspects of Hear and Say. The committee has provided leadership and line management to all sections of the organisation, especially in the areas of procedures and protocol development, enhanced accountability and improved delineation of roles and responsibilities of team members.

This year we have consolidated numerous existing partnerships and nurtured new and exciting ones. Our extensive collection of 'corporate friends' has continued to provide outstanding support to Hear and Say.

Our relationship with Suncorp was further galvanised with their extensive 'in kind' support of our strategic processes—like a true friend, Suncorp has provided the supportive hand for us to help ourselves. This support combined with their traditional assistance with Butterfly Week, and the co-hosting with Thiess of our charity ball and golf day, demonstrates Suncorp's deep commitment to our Centre. Thiess also continued to provide extensive support in

specialist areas. For example, Thiess' North Queensland office has played a pivotal role in the sustainability of our North Queensland Centre through active involvement in a Support Committee and fundraising initiatives.

Community organisations continue to make an exceptional difference to Hear and Say—especially to our regional Centres. The Sunshine Coast building and the near-complete Gold Coast building are a testament to the support received from community groups. Clubs from Coolangatta to Cape York and west to Charleville have devoted hard work, dedication and energy to a range of projects designed to assist our children. We sincerely thank them.

A number of new productive partnerships with government departments have been forged this year—none more important that that with Education Queensland. After years of extensive lobbying, Hear and Say was successful in receiving considerable recurrent funding from the State Government. The \$270,000 funding will make a huge difference to our Centre and not just from a financial viewpoint. This support is recognition of the exceptional work of the Centre and acknowledges Auditory-Verbal Therapy as an educational option in its own right (as opposed to being embedded in other approaches).



Centre child Mac and brother Charlie



The new Gold Coast Centre is due for completion in October 2004

The Centre also has received funding from Disability Services Queensland, with whom we are currently developing a Service Agreement. This agreement will form the basis for future funding discussions with this department. We have continued to enhance our relationship with Commonwealth Special Education – Non School Organisations who this year provided in excess of \$80k in support of our pre-compulsory school aged children in their educational settings.

The face of our Development Team has changed this year with the retirement of Jim Fagan as Manager, Special Projects. Many of the abovementioned achievements have Jim's 'stamp' in some way and without his talents and dedication Hear and Say would not be so well positioned for our future. His skills are certainly already missed, however his legacy is the firm foundation for continued development.

One such legacy, is the magnificent Sunshine Coast building that was officially opened on 6th May 2004. Thanks to the wonderful contribution of the Reed Property Group, Nambour Rotary Club and numerous supporters on the Sunshine Coast, we now have a 'state of the art' facility at Nambour. Our programs are thriving in their new surrounds and the parents and children have huge ownership for 'their Centre'.

Ownership is also mounting on the Gold Coast, as our new Centre approaches completion. Through the dedicated work of Hear and Say Centre staff, the Matrix Group and local community groups, our new Gold Coast home is due for completion in October 2004.

Staff at our Brisbane Centre look enviously north and south at the wonderfully spacious new facilities, whilst in the process of developing creative ways to make more space at our Auchenflower Centre. With the growth of our team, our Brisbane Centre is at saturation point in terms of quality workspaces. Priority will always be given to provision of therapy services and as such our flexible fundraising team are currently moving into shared office facilities on our back veranda—the 'West Wing'. With projected continued increases in child numbers and concurrent increases in staffing levels, this issue is emerging as 'critical' in the next six to eighteen months.

Our Financial and Demographic Forecast document projects that by 2008 our annual expenditure will be in excess of \$2.8 million. With this in mind, we have now started identifying strategies that will ensure the required revenue for our future is raised. This year we have commenced this process by exploring a range of potential revenue stream creation opportunities that when implemented, will help ensure our ongoing viability and sustainability. In the short term, our team has been focussed on strategically channelling expenditure to those areas that will make the greatest difference.

This process will be further enhanced with the development of an Annual Operational Plan (AOP) for 2005, which will ensure the spending of funds in these prioritised areas/projects identified through our strategic processes and in line with our Strategic Plan.



Christine Warland (photo courtesy of Aaron Tait)

Finally, I have deliberately not singled out any one particular staff member for special mention in this report. That is because all of our staff and volunteers deserve special mention. Please take the time to peruse the staff list at the beginning of this document as each and every one of those people has made a difference to every child and every family at the Hear and Say Centre. It is the passion, enthusiasm and dedication of our wonderful staff and volunteers that makes this difference and ensures quality outcomes for our families.

Dimity Dornan, our Clinical Director often talks about the 'dovetailing' of modern hearing technology with Auditory-Verbal Therapy as producing outstanding hearing and speaking results. This is very much true, however I would like to add an extra dimension. It is the 'dovetailing' of the dedication and commitment of our children and families with the skills, passion and professionalism of our staff that results in the outstanding outcomes for which the Hear and Say Centre is widely known.

I look forward to our journeys ahead.

Chris Lassig
General Manager



clinical director's report

This year has been the most exciting year yet for the Hear and Say Centre, with recognition from the Queensland state government as well as the outstanding achievements of the children.

It is with great appreciation that I thank the Premier, Mr Peter Beattie and Education Queensland for their support, both for our regional programs and for our overall viability.

The child places have been kept at a steady level this last year, as new management consolidation and strategic principles have been introduced. There has been a consistent waiting list for services, but at a lower level than the previous year.

The clinical team at the Hear and Say Centre has strengthened considerably, with our multidisciplinary and transdisciplinary team now numbering fifteen. We have been excited to congratulate Emma Rushbrooke and Charlene Hansen for achieving their International Auditory-Verbal Certification.

Research and development has been prioritised as part of the team's clinical work. Our commitment to the Co-operative Research Centre for Cochlear Implant and Hearing Aid Innovation (CRC HEAR) has seen us involved in studies for the development of the national clinical database, research into balancing hearing aid and cochlear implants, neural response telemetry, and child outcomes following implantation. Our Hear and Say Centre outcomes research project has also been accepted as a CRC HEAR study, and initial results are encouraging. The Centre is also collaborating in projects with the University of Queensland.

Our strong research involvement has kept us aware of the exciting new technology of the future, which fuels our need to prepare for these and other potential changes to the Hear and Say Centre service delivery. One of our biggest problems is the ongoing training of professionals to meet our current and future needs. The "Hearing is Believing" Levels I and II workshops run over the past year have not only assisted us to train for our own needs, but also to share our professional skills with countries such as India, Thailand, Brunei, Singapore, Malaysia and the Philippines. Our liaison as International Affiliates with Auditory-Verbal International and the Alexander Grahame Bell Association for the Deaf has consolidated our international networks.

Clinical programs this year have centered on strengthening our regional range of services. Our wonderful new facilities on the Sunshine Coast and Gold Coast will allow us to service these growth areas better in future years. Thanks again to Premier Beattie and a great local support team, our North Queensland program's future is ensured and is gathering strength.

Programs such as our playgroups and STAR for teenagers together with support mechanisms (Parent Education/Support Evenings, our Social Worker Jane Black, the Parents and Friends Association) and the network of parents themselves have provided parents have given parents the safety net they need to facilitate the best environment for our parent-based Auditory-Verbal education.

The audiology department has continued to develop, characterised by the emerging closer relationships with Australian Hearing and the addition of new equipment and assessments including intra-operative neural response telemetry. Cortical response telemetry, which tests the brain's response to sound, will also shortly be introduced to our assessment battery.

With the introduction of our Newborn Hearing Screening Program three years ago, we have now screened some 300 babies, and already several very young babies have been diagnosed and joined our program at an age when we can offer them the optimal chance for success.

The most exciting event of the year is the recognition by the State Government of the benefits of Universal Newborn Hearing Screening and subsequent 'roll out' of a program to ensure all babies born in Queensland are screened for hearing at birth. This wonderful initiative will potentially change the face of the Hear and Say Centre, as most babies will enter in the first few months of life, instead of around two years of age. We are well positioned for the

changing face of our clientele, and have a fully established Parent Infant Program, in addition to resources like the "Listen Little Star" program now released worldwide.

We are confident that, with our network of regional Centres, solid clinical foundation, plus our partnering with cutting edge hearing technology and Auditory-Verbal Teaching, we are equal to the challenge of ensuring that the little babies of the future entrusted to our care will rapidly reach age appropriate levels. More importantly, their parents and families can be ensured of a caring and loving environment in which they can follow their dreams.

Dimity Dornan
Clinical Director



financial statements

For the Year Ended 30 June 2004

Statement of Financial Performance for the Year Ended 30 June 2004

	Note	2004 \$	2003 \$
Revenues from ordinary activities	2	1,357,831	1,128,110
Employee benefits expense		(597,537)	(566,581)
Depreciation and amortisation expenses	7(a)	(54,745)	(57,139)
Interest expense		(97)	(482)
Other expenses from ordinary activities	3	(438,029)	(344,047)
Profit from ordinary activities before income tax expense	12	267,423	159,861
Income tax expense relating to ordinary activities	1(d)	-	-
Net profit from ordinary activities after income tax expense attributable to members of the company	12	267,423	159,861
Total changes in equity other than those resulting from transactions with owners as owners	12	267,423	159,861

The accompanying notes form part of these financial statements.

Statement of Financial Position as at 30 June 2004

	Note	2004 \$	2003 \$
Current Assets			
Cash assets	4	448,716	392,572
Receivables	5	19,922	34,738
Other	6	8,655	8,910
Total Current Assets		477,293	436,220
Non-Current Assets			
Property, plant and equipment	7	1,237,136	1,125,722
Intangible assets	8	1,350	-
Total Non-Current Assets		1,238,486	1,125,722
Total Assets		1,715,779	1,561,942
Current Liabilities			
Payables	9	26,443	44,952
Interest bearing liabilities	10	39,436	20
Provisions	11	20,339	23,998
Total Current Liabilities		86,218	68,970
Non-Current Liabilities			
Provisions	11	30,807	14,226
Total Non-Current Liabilities		30,807	14,226
Total Liabilities		117,025	83,196
Net Assets		1,598,754	1,478,746
Members Funds			
Retained profits	12	1,598,754	1,478,746
Total Members Funds		1,598,754	1,478,746

The accompanying notes form part of these financial statements.

Statement of Cash Flows for the Year Ended 30 June 2004

	Note	2004 \$	2003 \$
Cash Flow From Operating Activities			
Receipts from members and others		1,359,667	1,167,458
Payments to suppliers and employees		(1,188,313)	(924,952)
Interest received		14,842	12,734
Interest Paid		(97)	(482)
Income tax paid	1(d)	-	-
Net cash provided by (used in) operating activities	14	186,099	254,758
Cash Flow From Investing Activities			
Payment for property, plant and equipment		(166,159)	(199,384)
Payment for trade mark		(1,350)	-
Loans advanced		(1,862)	-
Net cash provided by (used in) investing activities		(169,371)	(199,384)
Cash Flow From Financing Activities			
Repayment of borrowings		-	(14,483)
Net cash provided by (used in) financing activities		-	(14,483)
Net increase in cash held		16,728	40,891
Cash at beginning of year		392,552	351,661
Cash at end of year	4	409,280	392,552

The accompanying notes form part of these financial statements.

notes to the financial statements

For the Year Ended 30 June 2004

Note 1: Statement of Significant Accounting Policies

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. Hear and Say Centre for Deaf Children Limited is a company limited by guarantee and is incorporated and domiciled in Australia.

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 values of the consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

a. Property, Plant and Equipment

Each class of property, plant and equipment are carried at cost or fair value less, where applicable, any accumulated depreciation.

The carrying amount of property, plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from those 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 the recoverable amounts.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, are depreciated over their anticipated lives to the company 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 asset are:

Class of Fixed Asset	Depreciation Rate
Buildings	2.5%
Plant and equipment	20–40%

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 \$30 each towards meeting any outstanding obligations of the company. At 30 June 2004 the number of members was 10

c. Cash

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

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.

g. Goods and Services Tax (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.

i. Employee Benefits

The company provides for employee benefits to salaries and annual leave as the benefits become due and payable. The provisions have been calculated at the expected wage and salary rates which will apply when the entitlements are expected to be taken, plus applicable on-costs.

Employee benefits to long service leave are provided for all employees with more than five years service. The calculation is based on the present value of the estimated future cash outflows to be made for those benefits.

No provision for employee benefits to sick leave has been made, or is considered necessary, as the amount expected to be taken in future periods will not be greater than benefits which are expected to accrue in those periods.

j. Adoption of Australian Equivalents to International Financial Reporting Standards

Australia is currently preparing for the introduction of International Financial Reporting Standards (IFRS) effective for financial years commencing 1 January 2005. This requires the production of accounting data for future comparative purposes at the beginning of the next financial year.

The company's management, along with its auditors, are assessing the significance of these changes and preparing for their implementation.

The Board will oversee the transition to IFRS. The company will perform initial gap assessments, identify impacts on systems and formulate a plan for implementing changes to systems and processes. This plan is currently being developed.

The directors are of the opinion that the key differences in the company's accounting policies that will arise from the adoption of IFRS are:

- **Financial Statement Terminology**
Minor changes in the disclosure of the financial statements including terminology changes (ie. Statement of Financial Performance = Income Statement and Statement of Financial Position = Balance Sheet) and inclusion of Statement of Changes in Equity;
- **First Time Adoption**
All changes required as a result of first time adoption will be recognised directly in retained earnings;
- **Impairment Testing of Assets**
Most assets (other than financial instruments) will be subject to annual impairment testing;
- **Measurement of Employee Benefits**
Previously all employee benefits payable (other than long service leave) were measured at their nominal amount expected to be paid out irrespective of the expected date of payment. Under IFRS, all employee benefits payable in excess of 12 months will be discounted.

	2004 \$	2003 \$
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Note 2: Revenue

Operating activities

Appeals	40,256	313,271
Grants and subsidies	388,229	279,598
Special Events	153,121	169,290
Donations	202,054	203,962
Other Operating Revenue	559,329	149,255
	1,342,989	1,115,376

Non-operating activities

Interest Income	14,842	12,734
	14,842	12,734

Total Revenue	1,357,831	1,128,110
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Note 3: Profit From Ordinary Activities

Profit from ordinary activities before income tax expense has been determined after:

a. Expenses

Rental expenses on operating leases	-	2,895
Events Related Expenses	166,909	86,328
Other expenses from ordinary activities	271,120	254,824
	438,029	344,047

	2004 \$	2003 \$
Note 4: Cash Assets		
Cash at Bank and On Hand	448,716	392,572
	448,716	392,572

The above figures are reconciled to cash at the end of the financial year as shown in the statement of cash flows as follows:

Balances as above	448,716	392,572
Less: Interest Bearing Liabilities – Note 10	(39,436)	(20)
Balances per statement of cash flows	409,280	392,552

Note 5: Receivables

Trade debtors	18,060	21,680
Sundry debtors	-	5,075
GST Receivable	-	6,778
Unpaid Remuneration	-	1,205
Loan – E Rushbrooke	1,862	-
	19,922	34,738

Note 6: Other Assets

Investments – Queensland Community Foundation	8,655	8,910
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Note 7: Property, Plant and Equipment

Land and Buildings – at cost	1,161,151	1,062,870
Less Accumulated depreciation	102,795	79,977
	1,058,356	982,893
Plant and equipment at cost	385,126	317,248
Less Accumulated depreciation	215,971	186,841
	169,155	130,407
Motor Vehicles	21,894	21,894
Less Accumulated depreciation	12,269	9,472
	9,625	12,422
Total Property, Plant and Equipment	1,237,136	1,125,722

Note 7: Property, Plant and Equipment continued

a. Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year

	Land & Buildings \$	Plant & Equipment \$	Motor Vehicles \$	Total \$
Balance at the beginning of year	982,893	130,407	12,422	1,125,722
Additions	98,281	67,878	-	166,159
Disposals	-	-	-	-
Revaluation increments/(decrements)	-	-	-	-
Depreciation expense	(22,818)	(29,130)	(2,797)	(54,745)
Carrying amount at the end of year	1,058,356	169,155	9,625	1,237,136

	2004 \$	2003 \$
Note 8: Intangible Assets		
Trade Mark	1,350	-
	1,350	-

Note 9: Payables

Current		
Trade creditors	23,583	19,845
Sundry creditors	300	8,840
Other	2,561	16,267
	26,443	44,952

Note 10: Interest Bearing Liabilities

Current		
Loan – Metway Bank (secured)	30	20
Suncorp Overdraft Account	1,579	-
North Qld Old Suncorp Account	35,373	-
Sunshine Coast Operating Account	475	-
Gold Coast Line of Credit	1,979	-
	39,436	20

Note 11: Provisions

Current		
Provision for Holiday Pay	20,339	23,998
	20,939	23,998

Non Current

Provision for Long Service Leave	30,807	14,226
Number of Employees at Balance Date	26	16

Note 12: Movement in Members Funds

Retained profits (accumulated losses) at the beginning of the financial year	1,478,746	1,318,885
Net profit attributable to members of the company	267,423	159,861
Adjustment to Retained Profits	(147,415)	-
Retained profits at the end of the financial year	1,598,754	1,478,746

Note 13: Segment Reporting

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

Note 14: Cash Flow Information

Reconciliation of Cash Flow from Operations with Profit from Ordinary Activities after Income Tax

Profit from ordinary activities after income tax	267,423	159,861
Non-cash flows in profit from ordinary activities:		
– Depreciation and amortisation	54,745	57,139
– Decrease in value of investment	255	512
Changes in assets and liabilities, net of the effects of purchase and disposals of subsidiaries		
(Increase)/Decrease in other assets	16,678	6,310
Increase/(Decrease) in payables	(18,509)	17,587
Increase/(Decrease) in provisions	12,922	13,349
Prior Year Adjustment to Retained Profits	(147,415)	-

Cash flows from operations	186,099	254,758
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Note 15: Financial Instruments

a. Interest Rate Risk

The company'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 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 other liabilities, the net fair value approximates their carrying value. No financial assets or financial liabilities are readily traded on organised markets in a 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.

notes to the financial statements

For the Year Ended 30 June 2004

Note 16: Operating Leases

Lease Payments under operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as an expense in the periods in which they are incurred.

Note 17: Audit Fees

This audit is done on an honorary basis and no fee is charged.

Note 18: Company Details

The registered office of the company is:

Hear and Say Centre for Deaf Children Limited
40-44 Munro Street
Auchenflower QLD 4066

The principal place of business is:

Hear and Say Centre for Deaf Children Limited
40-44 Munro Street
Auchenflower QLD 4066

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

Note 19: Related Parties

Directors

The names of Directors as at the date of this report are:

Alexandra Bell
Bruce Black
Jane Black
Richard Keylock
Paul Laxon
Brad McCosker
Paul McDermott
Peter Sheehy
Tony Snape
Alan Whidburn

Note 20: Directors Fees

No director was paid fees during the financial year.

Note 21: Events Occuring After Balance Date

Since 30 June 2004 there have been no significant after balance date events.

Directors' Declaration

The directors of the company declare that:

1. The Financial Statements and notes, as set out on pages 5 to 8 present fairly the company's financial position as at 30 June 2004 and its performance for the year ended on that date in accordance with Accounting Standards and other mandatory professional reporting requirements;
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

Dated this 8 day of November 2004

independent audit report

To the Members of Hear and Say Centre for Deaf Children Limited

Scope

The financial report and directors' responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the directors' declaration for *Hear and Say Centre for Deaf Children Limited* (the company), for the year ended 30 June 2004.

The directors of the company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Company's Constitution. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit Approach

We conducted an independent audit in order to express an opinion to the members of the company. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgment, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Company's Constitution, including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the company's financial position, and of its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

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.

Audit Opinion

In our opinion, except for the effects, if any, of the matter referred to in the qualification paragraph, the financial report presents fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia, the financial position of *Hear and Say Centre for Deaf Children Limited* as at 30 June 2004 and the results of its operations and its cash flows for the year then ended.

BDO Kendalls

Chartered Accountant

P A Gallagher

Partner

Brisbane

8 November 2004

thank you to our donors

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

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Disability Queensland
Queensland Government, Department of Families
Queensland Government, Department of the Premier and Trade

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Rotary Club of Noosa
Rotary Club of Palm Beach Inc.
Royal Victorian Eye & Ear Hospital
RSL Club of Maroochydore
RSL Club of Nambour
Zonta Club of Blackall Range

Individuals

Mr H Baker
Mr & Mrs J Barakat
Mr & Mrs D Bell
Mr & Mrs D Biggs
Mr R Bryan
Dr D Cohn
Ms A Crimmins
Mr G Dakin
Mr M Fischer
Dr A Forsythe
Mrs E Geary
Mr I Gladstone
Ms Heathcote
Mr J Hull
Mr E Klimowicz
Mr & Mrs V Kurth
Dr C Porter
Mr R N Reimer
Sir Clem Renouf
Mr T Schiffmann
Mr A Scifleet
Ms L Scipilliti
Mr D Stoten
Ms J Summers
Dr D Vautin
K Zahra





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Photo courtesy of Aaron Tait