

Hear and Say Limited

Financial Statements

for the year ended

30 June 2023

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Directors' Report

The Directors present this report on Hear and Say Limited for the financial year ended 30 June 2023.

Directors

The Directors of Hear and Say Limited at any time during or since the end of the financial year are:

Mr Matthew Ames
Dr Jane Black
Dr Dimity Dornan AO
Mrs Evelyn Goggin
Mr Andrew Fraser
Mr Mario Pennisi AM
Dr Margaret Steinberg AM
Mr Darren Sumich
Dr Helen Chenery

Objectives

Hear and Say exists for the purpose of relieving the distress, suffering and misfortune experienced by persons with a permanent or temporary hearing loss and/or speech disability. This is our Principal Purpose.

Strategy for achieving objectives

Hear and Say aims to achieve its principal purpose through means and activities such as:

- (i) identifying and diagnosing permanent or temporary hearing loss and/or speech disability and advancing knowledge and understanding of the issues and difficulties faced by persons with these conditions;
- (ii) promoting, developing and furthering the education, integration and assimilation of persons with permanent or temporary hearing loss and/or speech disability;
- (iii) training and providing specialist teachers for persons with permanent or temporary hearing loss and/or speech disability;
- (iv) counselling and educating teachers, parents, guardians, relatives and other stakeholders as to the special needs of persons with permanent or temporary hearing loss or speech disability to enable the provision of appropriate support;
- (v) arranging and promoting vocational training, guidance and placement of persons with permanent or temporary hearing loss and/or speech disability to enable those persons to integrate and become self-supporting members for the community;
- (vi) engaging in research and other associated measures to advance knowledge in relation to the education, recreation, training, welfare, care, aid, protection and employment of persons with permanent or temporary hearing loss and/or speech disability;
- (vii) creating forums for the discussion of the issues relating to the education and integration of persons with a permanent or temporary hearing loss and/or speech disability;
- (viii) publishing and distributing papers, journals and other publications in furtherance of the Principal Purpose;
- (ix) supporting the development of appropriate legislation, rules and regulations which govern and regulate the treatment of persons with permanent or temporary hearing loss or speech disability;
- (x) undertaking activities for the purposes of generating profit or otherwise raising funds, the proceeds of which are to be applied in furtherance of the Principal Purpose; and
- (xi) doing other things as may be deemed incidental or conducive to the furtherance of the Principal Purpose

Hear and Say's current strategy has four streams. They are, 'help more people,' 'moments of magic,' 'streamlined and effective,' and 'collaborative and curious.' The strategy prioritises the delivery of services to people in regional Queensland, which will involve the creation of new relationships, referral pathways and funding mechanisms. It includes expansion of the organisation's service scope to support more children with general speech disabilities, and it anticipates growth in the scale of regional service hubs, to improve efficiency and mitigate against the risk of discontinuity of service. The strategy also embraces more conscious leverage of the organisation's ability to create magic through the joy of sound, under the banner of 'moments of magic.'

Performance measures

Key performance measures include the following:

Help more people

- Number of clinic clients (total and outside metropolitan Brisbane)
- Number of clinical staff (as a measure of capacity)
- Number of clients with hearing loss and without hearing loss
- Total occasions of service
- Number of service locations
- Number of referrers (general practitioners and specialists)

Moments of magic

- Customer experience (Net Promoter Score)
- Donor volume and value

Streamlined and effective

- Revenue
- Net profit
- Net profit margin
- Overhead ratio
- Payroll to revenue ratio
- Revenue/FTE
- Cancellation rate
- Employee engagement (action)

Collaborative and curious

- Government funding
- Employee engagement (vision, strategy)
- Research partnerships

Principal activities

The principal activity of Hear and Say Limited during the period was to provide audiology and specialised speech pathology for all people with hearing loss in Queensland. Hear and Say Limited operates state-wide and supports people of all ages, from newborn babies through to adults.

In the opinion of the Directors, there were no significant changes in the nature of Hear and Say Limited's activity that occurred during the financial year.

Information on directors

Name	Mr Matthew Ames
Title	Non-Executive Director
Qualifications	MBA (Tech Mgt); BE (Env); GAICD
Experience and expertise	Matthew has almost 20 years' experience in the energy and resources industry, and has found innovative ways to apply his skills after the loss of all four of his limbs and significant hearing loss in 2012. In addition to Hear and Say, Matthew is a board member of Metro South Hospital and Health Board, Bionics Gamechangers Queensland and Xavier Children's Support Network; a council member for Centacare and a member of a number of steering committees for Queensland Health. Matthew joined the Hear and Say Board in November 2016 and was elected Chair in June 2020.
Special responsibility	Chair of the Board Member of the People and Culture Committee

Name	Dr Jane Black
Title	Non-Executive Director
Qualifications	PhD; BSW (Hons 1); Dip. Rad; MAICD
Experience and expertise	Jane has a longstanding career in clinical management of paediatric disorders. She has played a key role in the development of Hear and Say from inception to present day. Jane has a proven record of executive leadership, having worked for both for-profit and not-for-profit organisations. Jane is Chair of the Board of Directors of the Children's Hospital Foundation and serves on the Finance Audit and Risk Management Committee, Remuneration and Nominations Committee and is an ex-officio member of the Grants Committee. Jane joined the Hear and Say Board in November 1995, chaired the Board from 1996 to 2008 and was appointed Deputy Chair in May 2010.
Special responsibility	Deputy Chair of the Board Member of the Finance and Risk Committee Member of the Client Quality and Impact Committee

Name	Dr Dimity Dornan AO
Title	Non-Executive Director Founder
Qualifications	PhD UQ; HonDUniv USQ; BSpThy; FSPAA; CpSp; LSLC Cert AVT
Experience and expertise	Dimity is a qualified speech pathologist. She is the Founder and Chair of Bionics Queensland and Bionics Gamechangers Australia. Dimity is an Adjunct Professor to The University of Queensland School of Health and Rehabilitation Sciences and Adjunct Professor to the Science and Engineering Faculty, School of Mechanical, Medical and Process Engineering, Queensland University of Technology. She is a Fellow of Speech Pathology Australia, the Academy for Technology and Engineering and the Qld College of Arts and Sciences.
Special responsibility	Member of the People and Culture Committee

Name	Ms Evelyn Goggin
Title	Non-Executive Director
Qualifications	B Com
Experience and expertise	Evelyn has over 34 years' experience in the energy, infrastructure, and retail sectors, holding senior management positions in international companies primarily in accounting and corporate governance. Volunteer roles in the not-for-profit sector have allowed Evelyn the opportunity to leverage her substantial financial and accounting experience to enhance school and charity boards. Evelyn has an enduring passion for the sector and a strong association with Hear and Say, having worked with the organisation in a consulting capacity in 2018. Evelyn joined the Hear and Say Board in September 2020.
Special responsibility	Chair of the Finance and Risk Committee

Information on directors

Name	Mr Andrew Fraser
Title	Non-Executive Director
Qualifications	LLB/B Com (1st Class Hons)
Experience and expertise	Andrew is the Chancellor of Griffith University and serves on several boards of major corporations and charities. He is the Chair of the Australian Retirement Trust, President and Chair of Motorsport Australia, and Chair of the charity, Orange Sky Australia. Andrew also serves on the board of major construction firm, BESIX Watpac Ltd, Brisbane Broncos Ltd (ASX: BBL) and Australians for Indigenous Constitutional Recognition Ltd.
Special responsibility	Chair of the People and Culture Committee

Name	Mr Mario Pennisi AM
Title	Non-Executive Director
Qualifications	B App Sci (Med Tech)
Experience and expertise	Mario is a strategist and trusted advisor with more than 30 years' experience in managing and growing commercial operations in the life sciences industry. Mario is the Chairman of Suncare Community Services and Non-Executive Director of Elo Life Systems Australia, Queensland Eye Institute Foundation, Alpine Immune Sciences Australia, Omniox AU, and Briz Brain & Spine. He is also Chair of the Griffith University Clinical Trial Unit and the Compounds Australia Strategic Advisory Board as well as a B20 Participating Delegate, and a member of the Queensland Government Biofutures Industry Advisory Group. Mario joined the Hear and Say Board in August 2020.
Special responsibility	Chair of the Client Quality and Impact Committee

Name	Dr Margaret Steinberg AM
Title	Non-Executive Director
Qualifications	PhD (Child Health & Ed); M.Phty; B.Phty (Hons); Dip.Phty
Experience and expertise	Margaret has expertise in ethical decision making as a clinician, academic and administrator. A former Commissioner, including of the Criminal Justice and Crime and Misconduct Commissions, Margaret currently sits on several boards and tribunals, and was previously on the Metro North Hospital and Health Service Board. Margaret joined the Hear and Say Board in April 2006.
Special responsibility	Member of the Client Quality and Impact Committee

Name	Mr Darren Sumich
Title	Non-Executive Director
Qualifications	LLB (Hons); BlntBus
Experience and expertise	Darren is a lawyer with over 20 years' experience, specialising in structuring and negotiating financial transactions. He is currently a Partner of MinterEllison and leads the firm's Financial Solutions practice in Queensland. Darren has also led MinterEllison's community investment and pro bono practice and is driven by his passion for bringing his commercial experience to assist not-for-profit and community welfare sectors. Darren joined the Board of Hear and Say in September 2020.
Special responsibility	Member of the Finance and Risk Committee

Information on directors

Name	Professor Helen Chenery
Title	Non-Executive Director
Qualifications	BBSpThy; MSpThy; PhD; GAICD
Experience and expertise	Helen is an Emeritus Professor at The University of Queensland (UQ), having graduated from UQ with a bachelor and master's degrees in speech pathology and a PhD in language neuroscience. She is currently President of the Queensland Academy of Arts and Sciences and a member of the Research Advisory Committee of the Queensland Eye Institute. She has previously chaired the STARS Hospital Alliance Board and been a Director of the Gold Coast Hospital and Health Board and of CPL. Helen has a long history of engagement in human neurobionics, policy and practice reform in dementia care, health workforce innovation, adoption of digital health and education technologies and interprofessional education and practice. Helen joined the Hear and Say Board in October 2022.
Special responsibility	Member of the Client Quality and Impact Committee

Meetings of Directors

The following is the number of Directors meetings (including meetings of committees of Directors) and the number of meetings each Director attended during the financial year:

Directors	Directors' Meetings		Client Quality and Impact Committee		Finance and Risk Committee		People and Culture Committee	
	A	B	A	B	A	B	A	B
Matthew Ames	6	6	-	-	-	-	4	4
Andrew Fraser	6	4	-	-	-	-	4	4
Dimity Dornan	6	6	-	-	-	-	4	4
Evelyn Goggin	6	6	-	-	5	5	-	-
Darren Sumich	6	5	-	-	5	5	-	-
Jane Black	6	5	4	3	5	4	-	-
Mario Pennisi	6	6	4	4	-	-	-	-
Margaret Steinberg	6	5	4	2	-	-	-	-
Helen Chenery	5	5	2	2	-	-	-	-

A – Number of meetings eligible during the year the Director held office

B – Number of meetings the Director attended

Contributions on winding up

Hear and Say Limited is a company limited by guarantee. In the event of, and for the purpose of winding up of Hear and Say Limited, the constitution states that each member and any person or association who ceased to be a member in the year prior to the winding up is required to contribute a maximum of \$2 each towards meeting any outstanding obligations of the entity. As at 30 June 2023, the total amount that members of Hear and Say Limited are liable to contribute if Hear and Say Limited is wound up are \$18.

Events Occurring After the Reporting Date

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

Auditor's Independence Declaration

The lead auditor's independence declaration in accordance with section 60-40 of the *Australian Charities and Not for Profits Commission Act 2012*, for the year ended 30 June 2023 has been received and can be found on page 7 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

Director: 

Matthew Ames, Chair and Director

Dated: 7th November 2023

Hear and Say Limited

ABN 32 058 430 069

AUDITOR'S INDEPENDENCE DECLARATION

FOR YEAR ENDED 30 June 2023



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DECLARATION OF INDEPENDENCE BY L G MYLONAS TO THE DIRECTORS OF HEAR AND SAY LIMITED

As lead auditor of Hear and Say Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of section 60-40 of the *Australian Charities and Not-for-profit Commission Act 2012* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read 'L G Mylonas', is written over a light blue horizontal line.

L G Mylonas

Director

BDO Audit Pty Ltd

Brisbane, 7 November 2023

Statement of Profit or Loss and Other Comprehensive Income

	Note	2023 \$	2022 \$
REVENUE			
Revenue from continuing operations	6	6,665,328	6,842,824
Interest Income		49,422	881
Other Income	6	12,009	35,191
TOTAL REVENUE		6,726,760	6,878,896
EXPENSES			
Employee Benefits Expense		4,826,344	5,212,625
Depreciation & Amortisation Expenses		639,659	708,881
Operating Expenses	7	1,753,644	1,513,893
TOTAL EXPENSES		7,219,647	7,435,399
NET OPERATING LOSS		(492,887)	(556,502)
Other comprehensive income for the year		-	-
Items that will not be reclassified subsequently to profit or loss			
Gain on revaluation of land and buildings		5,132,364	-
Total comprehensive income/(loss) for the year		4,639,477	(556,502)

The accompany notes form part of these financial statements.

Statement of Financial Position

	Note	2023 \$	2022 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	4,770,274	5,099,132
Accounts receivable and other debtors	9	238,511	114,903
Inventories (at cost)	10	18,675	22,889
Prepayments and other assets	12	201,376	97,160
TOTAL CURRENT ASSETS		5,228,837	5,334,084
NON-CURRENT ASSETS			
Property, plant, and equipment	11	14,288,377	9,682,424
Right-of-use assets		9,986	50,792
TOTAL NON-CURRENT ASSETS		14,298,363	9,733,216
TOTAL ASSETS		19,527,200	15,067,300
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and other payables	13	319,232	449,248
Provision for employee entitlements	15	325,762	296,999
Lease liabilities		10,537	42,069
Other financial liabilities	14	4,394	1,866
TOTAL CURRENT LIABILITIES		659,925	790,183
NON-CURRENT LIABILITY			
Provision for employee entitlements	15	45,744	84,105
Lease liabilities		-	10,958
TOTAL NON-CURRENT LIABILITIES		45,744	95,063
TOTAL LIABILITIES		705,670	885,246
NET ASSETS		18,821,530	14,182,054
EQUITY			
Asset Revaluation Reserve		7,627,961	2,495,597
Accumulated Surplus		11,193,570	11,686,457
TOTAL EQUITY		18,821,530	14,182,054

The accompanying notes form part of these financial statements

Statement of Changes in Equity

	Accumulated Surplus	Asset Revaluation Reserve	Total Equity
	\$	\$	\$
Balance as at 1 July 2021	12,242,960	2,495,597	14,738,556
Net operating loss for the year	(556,502)	-	(556,502)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	(556,502)	-	(556,502)
Balance as at 30 June 2022	11,686,457	2,495,597	14,182,054
Balance as at 1 July 2022	11,686,457	2,495,597	14,182,054
Net operating loss for the year	(492,887)	-	(492,887)
Other comprehensive income for the year	-	5,132,364	5,132,364
Total comprehensive income for the year	(492,887)	5,132,364	4,639,477
Balance as at 30 June 2023	11,193,570	7,627,961	18,821,530

The accompany notes form part of these financial statements.

Statement of Cash Flows

	Note	2023	2022
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from donations, grants, and customers		6,567,347	6,567,945
Payments to suppliers and employees		(6,821,948)	(7,007,217)
Interest income		49,422	881
Net cash flows from operating activities		(205,178)	(438,392)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant & equipment		(81,651)	(27,400)
Net cash flows from investing activities		(81,651)	(27,400)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings and lease liabilities		(42,029)	(214,797)
Net cash flows from financing activities		(42,029)	(214,797)
Net increase / (decrease) in cash held		(328,858)	(680,589)
Cash at the beginning of the financial year		5,099,132	5,779,721
Cash at the end of the financial year	8	4,770,274	5,099,132

The accompany notes form part of these financial statement

Notes to the Financial Statements

1. Corporate Information

Hear and Say Limited was incorporated under the *Corporations Act 2001* on 2 February 1993 and is a public company limited by guarantee that is domiciled in Australia. The registered office and principal place of business of Hear and Say Limited is 29 Nathan Avenue, Ashgrove QLD 4060.

Hear and Say Limited is a not-for-profit entity for financial reporting purposes. This financial report for the year ended 30 June 2023 was authorised for issue in accordance with a resolution of the directors of Hear and Say Limited on 5 December 2023.

2. Basis of Preparation and Statement of Compliance

The financial statements are general purpose financial statements that have been prepared in accordance with Australia Accounting Standards – Simplified Disclosures Requirements of the Australian Accounting Standards Board and the *Australian Charities and Not-for-Profits Commission Act 2012*.

The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs unless otherwise stated in the notes. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise. The amounts presented in the financial statements have been rounded to the nearest dollar. The functional and presentation currency is Australian dollars. When required by Accounting Standards or for clarity, comparative information has been reclassified to achieve consistency with the current financial figures and other disclosures.

3. New or amended Accounting Standards and Interpretations adopted

Hear and Say Limited has adopted all new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

4. Summary of Significant Accounting Policies

(a) Revenue

Revenue is recognised at the fair value of consideration received or receivable, to the extent that it is reliably measurable, and it is probable that economic benefits arising from the transaction will flow to Hear and Say Limited. In addition, the following specific recognition criteria must be satisfied prior to revenue being recognised:

I. Provision of Service

Revenue from the provision of service to clients is recognised upon the delivery of the agreed services to the customer.

II. Operating Grants, Donations and Bequests

Revenue received as operating grants, donations and bequests from any sources are assessed by Hear and Say Limited to determine whether a contract exists that is enforceable and has sufficiently specific performance obligations. When both these conditions are satisfied, Hear and Say Limited defers revenue recognition until the obligations are satisfied. If the performance obligations are not sufficiently specific, revenue will be recognised upon receipts.

III. Goods-in-kind Donations

Gifted assets acquired at a nominal value or nil value are recognised at their fair value at the date when Hear and Say Limited gains control over the asset.

IV. Fundraising Income

Receipts from fundraising events are recognised as income when received.

V. Sale of Goods

Revenue from the sale of goods is recognised when control of the goods has passed to the buyer. Control is transferred to the buyer at the time of delivery of the goods to the customer.

VI. Interest Income

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

(b) Finance Costs

Finance costs are recognised as expenses in the period in which they are incurred.

(c) Income Tax

Hear and Say Limited is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

(d) Goods and Services Tax

Revenue, expenses, assets, and liabilities are recognised net of GST amount, unless the GST incurred is not recoverable from the Australian Taxation Office. In this case, the GST is recognised as part of the cost of acquisition of the asset or as part of the expenses. Receivables and payables in the Statement of Financial Position are shown as GST inclusive amounts.

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

(e) Expenses

All expenses are recognised on an accrual basis and have been classified under headings that reflect the nature of the activity.

(f) Inventories

Inventories are measured at the lower of cost and net realisable value.

(g) Property, Plant and Equipment

i. Acquisition

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

Items of property, plant and equipment acquired for significantly less than fair value have been recorded at the acquisition date fair value.

Land and buildings

Land and buildings are shown at fair value, based on periodic, at least every 5 years, valuations by external independent valuers, less subsequent depreciation, and impairment for buildings. The valuations are undertaken more frequently if there is a material change in the fair value relative to the carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Increases in the carrying amounts arising on revaluation of land and buildings are credited in other comprehensive income through to the revaluation surplus reserve in equity. Any revaluation decrements are initially taken in other comprehensive

income through to the revaluation surplus reserve to the extent of any previous revaluation surplus of the same asset. Thereafter the decrements are taken to profit or loss.

Plant and equipment

Plant and equipment are measured using the cost model.

Donated assets are recorded at market value when Hear and Say Limited gains control.

ii. Depreciation

Depreciation is calculated on a diminishing value method over the asset's useful life to Hear and Say Limited, commencing when the asset is ready for use.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful lives.

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

Fixed asset class	Depreciation rate
Buildings	5%
Plant & Equipment	10-40%
Furniture & Fittings	10-40%
Motor Vehicles	12.5%
Software	20%

Depreciation expense is recognised in the Statement of Profit or Loss and Other Comprehensive Income in the expense category consistent with the function of the asset.

iii. De-recognition and Disposal

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use. Any gains or loss arising from de-recognition of an asset, calculated as the difference between the net disposal proceeds and the residual amount of the asset, is included in the Statement of Profit or Loss and Other Comprehensive Income in the year the asset is de-recognised.

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 in the Statement of Financial Position and Statement of Cash Flows, comprise of 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.

(i) Leases

Hear and Say Limited has applied AASB 16 Leases using the modified retrospective approach from 1 July 2021. Prior periods have not been restated.

i. Accounting policy applicable from 1 July 2021 – Hear and Say Limited as a lessee

For any new contracts entered on or after 1 July 2021, Hear and Say Limited considers whether a contract is, or contains a lease. A lease is defined as a "contract, or part of a contract, that conveys the right or use an asset (the underlying asset) for a period in exchange for consideration". To apply this definition, Hear and Say Limited assesses whether the contract meets three key evaluations which are whether:

1. The contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to Hear and Say Limited;
2. Hear and Say Limited has the right to obtain substantial economic benefits from the use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract;
3. Hear and Say Limited has the right to direct the use of the identified asset throughout the period of use. Hear and Say Limited assesses whether it has the right to direct “how and for what purpose” the asset is used throughout the period of use.

ii. Measurement and recognition of leases as a lessee

At lease commencement date, Hear and Say Limited recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by Hear and Say Limited, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

Hear and Say Limited depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. Hear and Say Limited also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, Hear and Say Limited measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or Hear and Say Limited’s incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in-substance fixed payments), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Following by the initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

On the Statement of Financial Position, right-of-use assets and lease liabilities are reported separately.

iii. Exceptions to lease accounting

Hear and Say Limited has elected to apply the exceptions to lease accounting for both short-term leases (i.e., leases with a term of less than or equal to 12 months) and leases of low-value assets. Hear and Say Limited recognises the payments associated with these leases as an expense on a straight-line method over the lease term in the Statement of Profit and Loss and Other Comprehensive Income.

(j) Trade and Other Receivables

Trade receivables are recognised and carried at original invoice amount less an allowance for any uncollectable amounts.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off. A provision for doubtful debts is established when there is objective evidence that Hear and Say Limited will not be able to collect all amounts due in accordance with the original terms of receivables.

(k) Trade and Other Payables

Trade and other payables are carried at costs and represent liabilities for goods and services supplied to Hear and Say Limited, prior to the end of the financial year that remain unpaid and arise when Hear and Say Limited becomes obliged to make future payments with regards to the purchase of these goods and services.

These amounts are unsecured and are typically paid within 30 days.

(l) Employee Benefits

i. Short-term Employee Benefit Obligation

Liabilities for annual leave and long service leave expected to be settled within 12 months of the reporting date are recognised in provisions in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when liabilities are settled.

ii. Long-term Employee Benefit

Liabilities for employees' long service leave who have not reached their vesting date, are recognised in the provision, and measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, periods of service, on-costs and the probabilities that some employees may not satisfy any vesting requirements. Expected future payments are discounted based on the long-term government bond rate as at the reporting date, with terms of maturity that matches as closely as possible the estimated future cash outflows.

(m) Economic dependence

Hear and Say Limited is dependent on grant revenue for a major share of its revenue used to operate the business. At the date of this report, the Board of Directors have no reason to believe that grant revenue will not continue to be provided in support of Hear and Say Limited.

5. Critical Accounting Estimates and Judgements

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.

Estimation of useful lives of assets

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

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

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

Fair value of land and buildings

As per the accounting policy in note 4, land and buildings are held at fair value based on an independent valuation by a registered valuer which occurs at a minimum every 5 years or when there is a significant change in fair value. The determination of fair value is considered a category 3 in the fair value hierarchy and involves certain key judgements. The independent valuer utilises a combination of the capitalisation and direct comparison approach in determination of fair value or in certain circumstances, when relevant, just the direct comparison approach.

6. Revenue from continuing operations, other income, and other comprehensive income for the year

	2023	2022
	\$	\$
Revenue from continuing operations		
Government grants and contracts		
<u>State government</u>		
Department of Education	899,662	691,857
Department of Health	870,218	848,400
Department of Justice & Attorney General	21,160	1,937
Total	1,791,039	1,542,194
<u>Local government</u>		
City of Gold Coast	-	12,328
Total	-	12,328
Total government grants and contracts	1,791,039	1,554,522
Fundraising - gifts and contributions	1,342,204	1,781,135
Operating activities	3,532,085	3,507,167
Total revenue from continuing operations	6,665,328	6,842,824
Other income		
Sundry income	12,009	35,191
Total other income	12,009	35,191

7. Operating expenses and other expenses

	2023	2022
	\$	\$
Operating expenses		
Client services expenses	24,846	56,136
Consultants	315,286	342,006
Electricity	43,507	43,057
Fundraising	122,006	275,124
Insurance	92,537	91,833
Legal & accounting fees	6,028	8,000
Licenses & fees	102,066	43,666
Motor vehicles & travel	118,726	33,002
Rates	29,337	29,652
Rent	6,180	358
Repairs & maintenance	204,221	164,213
Sponsorship	15,000	-
Technology	364,231	209,784
Telephone & internet	44,391	35,865
Water	32,878	31,573
Other expenses	232,404	149,624
Total operating expenses	1,753,644	1,513,893

8. *Cash and cash equivalents*

	2023	2022
	\$	\$
Cash at bank and in hand	4,770,274	5,017,865
Other cash and cash equivalents	-	81,268
Total cash and cash equivalents	4,770,274	5,099,132

9. *Accounts receivable and other debtors*

	2023	2022
	\$	\$
Trade receivables	241,011	127,403
Less: Provision for expected credit loss	(2,500)	(12,500)
Total accounts receivable and other debtors	238,511	114,903

10. *Inventories*

	2023	2022
	\$	\$
CURRENT		
At cost		
Inventories	18,675	22,889
Total inventories	18,675	22,889

11. *Property, plant, and equipment*

	2023 \$	2022 \$
<u>Land</u>		
At fair value	6,560,000	2,890,000
Total land	6,560,000	2,890,000
<u>Buildings</u>		
At fair value	7,240,000	10,548,866
Accumulated depreciation	-	(4,243,905)
Total buildings	7,240,000	6,304,961
<u>Plant & equipment</u>		
At cost	2,044,797	1,970,821
Accumulated depreciation	(1,619,960)	(1,557,148)
Total plant & equipment	424,837	413,673
<u>Furniture & fittings</u>		
At cost	384,354	384,354
Accumulated depreciation	(347,628)	(338,788)
Total furniture & fittings	36,726	45,566
<u>Leaseshold fitouts</u>		
At cost	7,675	-
Accumulated depreciation	(738)	-
Total leasehold fitouts	6,937	-
<u>Motor vehicles</u>		
At cost	130,444	130,444
Accumulated depreciation	(110,567)	(102,220)
Total motor vehicles	19,877	28,224
Total property, plant, and equipment	14,288,377	9,682,424

(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 \$	Property \$	Plant & Equipment \$	Furniture & Fittings \$	Leasehold Fitouts \$	Motor Vehicles \$	TOTAL \$
Year ended 30 June 2023							
Balance at the beginning of the year	2,890,000	6,304,961	413,674	45,566	-	28,224	9,682,424
Add:							
Additions	-	-	73,976	-	7,675	-	81,651
Revaluations	3,670,000	1,462,364	-	-	-	-	5,132,364
Less:							
Depreciation expenses	-	(527,325)	(62,812)	(8,840)	(738)	(8,347)	(608,062)
Balance at the end of the year	6,560,000	7,240,000	424,837	36,726	6,937	19,877	14,288,377

12. Prepayment and other assets

	2023	2022
	\$	\$
CURRENT		
Prepayments	115,263	97,160
Other assets	86,113	-
Total prepayments and other assets	201,376	97,160

13. Accounts payable and other payables

	2023	2022
	\$	\$
Trade creditors	75,023	108,892
GST payable	(20,344)	(11,641)
Sundry payables and accrued expenses	40,154	40,108
PAYG withholding payable	84,394	53,916
Wages and super payable	140,005	257,974
Total accounts payable and other payables	319,232	449,248

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

14. Other financial liabilities

	2023	2022
	\$	\$
Contract liabilities	4,394	776
Bank loans	-	1,090
Total other financial liabilities	4,394	1,866

15. Provision for employee benefits

	2023	2022
	\$	\$
Current		
Annual Leave	172,987	186,534
Long Service Leave	152,775	110,465
Total current employee benefits	325,762	296,999
Non-current		
Long Service Leave	45,744	84,105
Total non-current employee benefits	45,744	84,105
Total provision for employee benefits	371,506	381,104

16. Financial Risk Management

Hear and Say Limited is exposed to a variety of financial risks through its use of financial instruments.

Hear and Say Limited's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The most significant financial risks to which Hear and Say Limited is exposed to are described below:

(a) Specific risks:

- Liquidity risk
- Credit risk
- Market risk – currency risk, interest rate risk and price risk

(b) Financial instruments used

Hear and Say Limited's financial instruments are cash at bank and short-term deposits, trade receivables and trade payables which arise from the operating activities. Details of the significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 4 of the financial statements.

17. Members' Guarantee

Hear and Say Limited is a company limited by guarantee. In the event of, and for the purpose of winding up of Hear and Say Limited, the constitution states that each member and any person or association who ceased to be a member in the year prior to the winding up is required to contribute a maximum of \$2 each towards meeting any outstanding obligations of the entity. As at 30 June 2023, the total amount that members of Hear and Say Limited are liable to contribute if Hear and Say Limited is wound up are \$18.

18. Key Management Personnel Disclosures

Key management personnel are any person(s) having authority and responsibility for planning, directing, and controlling the activities of the organization, directly or indirectly, including executive director and non-executive director.

The Directors do not receive any remuneration for their position as a Board member.

Key management personnel compensation during the year ended 30 June 2023 was:

	2023	2022
	\$	\$
Remuneration	449,139	634,383
Total key management personnel remuneration	449,139	634,383

19. Auditor's Remuneration

During the year, the following fees were paid or payable for services provided to the auditor of Hear and Say Limited:

	2023 \$	2022 \$
SRJ Walker Wayland		
Audit of financial statements	-	9,000
Total auditor's remuneration	-	9,000
BDO Audit Pty Ltd		
Audit of financial statements	20,569	-
Audit of Department of Education SDSS Service Agreement 2022 acquittal	1,500	-
Total auditor's remuneration	22,069	-

20. Contingencies

In the opinion of the Directors, Hear and Say Limited did not have any contingencies as at 30 June 2023 (30 June 2022: None).

21. Related Parties

No related party transactions occurred during the financial year ended 30 June 2023.

22. Events Occurring After the Reporting Date

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

23. Reserves

Asset Revaluation Reserve

The asset revaluation reserve records fair value movements on property, plant and equipment held under the fair value model. During the financial year, the Asset Revaluation Reserve increased by \$5,132,364 to reflect fair value of land and buildings as at 30 June 2023.

Directors' Declaration

The directors of Hear and Say Limited declare that, in the directors' opinion:

1. The financial statements and notes, as set out on page 12 – 23, are in accordance with the Australian Charities and Not-For-Profits Commission Act 2012 and the Corporations Act 2001, including:
 - Complying with Australian Accounting Standards - Simplified Disclosures Requirements (including the Australian Accounting Interpretations); and the Corporations Regulations 2001 and the Australian Charities and Not-For-Profits Commission Regulation 2012.
 - Giving a true and fair view of the financial position as at 30 June 2023 and of the performance for the year ended on that date of Hear and Say Limited.
2. There are reasonable grounds to believe that Hear and Say Limited 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: 
Matthew Ames, Chair and Director

Dated: 7th November 2023

INDEPENDENT AUDITOR'S REPORT

To the members of Hear and Say Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Hear and Say Limited (the registered entity), which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the responsible entities' declaration.

In our opinion the accompanying financial report of Hear and Say Limited, is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) Giving a true and fair view of the registered entity's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards - Simplified Disclosures and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2022*.

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 registered entity in accordance with the auditor independence requirements of 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 (including Independence Standards)* (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.

Other information

The responsible entities of the registered entity are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Directors report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of responsible entities for the Financial Report

The responsible entities of the registered entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Simplified Disclosures and the ACNC Act, and for such internal control as the responsible entities determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, responsible entities are responsible for assessing the registered entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible entities either intends to liquidate the registered entity or to cease operations, or has no realistic alternative but to do so.

The responsible entities of the registered entity are responsible for overseeing the registered entity'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 of 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 this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

BDO Audit Pty Ltd

BDO


L G Mylonas

Director

Brisbane, 7 November 2023