



Deaf Children Australia

ABN: 57 108 025 207

Financial Statements

For the Year Ended 30 June 2019

Deaf Children Australia

ABN: 57 108 025 207

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For the Year Ended 30 June 2019

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Deaf Children Australia

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Directors' Report

30 June 2019

The directors present their report on Deaf Children Australia for the financial year ended 30 June 2019.

Directors

The names of the directors in office at any time during, or since the end of, the year are:

Names

Current Directors

Professor Colin Clark	Appointed January 2019
Karen Cleave	Appointed November 2014
William de Vere Gould	Appointed February 2019
Dr Kerry Ferguson	Appointed November 2014
Chris Penman	Appointed November 2014
Adam Rich	Appointed March 2015
Melisa Sloan	Appointed May 2018
Carol Webb	Appointed May 2018

Past Directors

John Hall	Resigned October 2018
David Buchanan	Resigned November 2018
Paul Richardson	Resigned November 2018
Tamara Trinder-Scacco	Resigned December 2018

Review of operations

For the financial year Deaf Children Australia made a surplus of \$ 1,672,763 (2018: \$801,446 as per restatement). No significant changes in the Company's state of affairs occurred during the financial year.

Principal activities

The principal activity of Deaf Children Australia during the financial year was to advance the welfare of deaf and hard of hearing children and young people and their families. No significant changes in the nature of these activities occurred during the year.

The company's short and long term objectives are to remove barriers to the personal development and social inclusion of children and young people who are deaf. The short-term objectives are to continue the provision of high quality services, policy advice, information and support to the core stakeholders of the company, being deaf and hard of hearing children, young people and their families.

The roll-out of the National Disability Insurance Scheme continues around Australia and DCA is providing services to some clients under the NDIS. DCA was also successful in winning a two year ILC Grant through the NDIS to expand on its successful parent-to-parent and deaf mentoring programs. DCA is actively engaged with both the NDIS and alternative funding providers to maintain quality services that it provides to deaf and Hard of Hearing children and young people and their families.

DCA's employment arm 'Sign for Work' has been successful in obtaining a new five year contract with the Commonwealth Government to continue and build upon its personalized support for deaf and hard of hearing people and those with a disability to find meaningful employment in Melbourne, Brisbane and Toowoomba. On 30 June 2018, our joint contract with Western Australia Deaf Society's DEAFinite employment services came to an end.

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Directors' Report

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Annual operating costs of our substantial heritage listed property at 597 St Kilda Road, Melbourne continue to be high and diverts funds which ideally would be directed to service areas. DCA continues to provide accommodation and grounds services for the Victorian College for the Deaf and the Victorian Deaf Education Institute. On top of annual operating costs, the property is of iconic standing in the community and after 150 years, is in urgent need of restoration and redevelopment. The Board of DCA are continuing to receive expert legal and commercial advice on the options for the heritage property.

Information on Directors

The information on directors, in office during the 2018-2019 Financial Year, is as follows:

Professor Colin Clark	Treasurer. Joined the Board in January 2019.
Qualifications	Bachelor of Business (Acc) (FIT), Diploma Education (SCVH), Master of Business Administration (Monash), PhD (Monash), Fellow CPA Australia, Fellow Chartered Accountants Australia and New Zealand, Fellow Australian Institute of Company Directors, Fellow Institute of Public Administration.
Experience	Colin is Dean International at Victoria University having previously served as Deputy Dean and Dean of Business at Victoria University. He has been active within the accounting profession and is a former Vice President of CPA Australia and a past Victorian President of CPA Australia. He is a past member of the Australian Accounting Standards Board Advisory Group. Colin is also Director of Western Health and Chair of its Finance and Resources Committee.
Special Responsibilities	Chair of the Audit, Finance and Investment Committee.
Karen Cleave	Deputy Chair. Joined the Board in November 2014.
Qualifications	Bachelor of Economics; Fellow Institute of Public Administration Australia. Graduate Australian Institute of Company Directors.
Experience	Karen has extensive experience in the Commonwealth and State Public Service in the fields of health and human services, disability, education, treasury of the Premier's department. She served on the Board of Scope Victoria for 9 years and on the Defence Reserves Support Council, an employer support body. She is an Economics graduate and attended the London Business School Senior Executive Program.
Special Responsibilities	Member of the Audit, Finance and Investment Committee, Member of the Strategic Development Committee.
William de Vere Gould	Director. Joined the Board in February 2019.
Qualifications	Chartered Accountant, Bachelor of Science (Honours) (University of Nottingham).
Experience	William is currently a Client Director at Ernst and Young. He has been employed at Ernst and Young for 10 years, the first five in London and the last five in Melbourne. Previously William worked at National Australia Bank (NAB) for four years where he became the Head of Operational Risk for the Australian Bank. Prior to working at NAB he worked with Deloitte and Touche/Arthur Andersen for six years. During this time, William specialised in risk consulting, regulatory compliance and internal audits. His professional memberships and qualifications include Member of the Institute of Chartered Accountants of England and Wales.
Special Responsibilities	Member of the Governance and Risk Committee.

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30 June 2019

Dr Kerry Ferguson	Chair. Joined the Board in November 2014.
Qualifications	BA (OT); Masters of Education in the field of Counselling; Professional Doctorate in Education. Graduate of the Australian Institute of Company Directors.
Experience	Dr Kerry Ferguson has over thirty years' experience in tertiary education. She is a Higher Education Consultant; Director and Principal Consultant of EduResolutions. She has led large and diverse portfolios and managed complex organisational change. Kerry is a graduate of the Australian Institute of Company Directors and from 1999 – 2013, she held a Pro Vice Chancellor position with a major focus on Equity and Student Services. Prior to this, she held a variety of academic leadership positions in Health Sciences including Dean and Deputy Dean.
Special Responsibilities	Chair of the Strategic Development Committee. Member of the Audit, Finance and Investment Committee.
Chris Penman	Director. Joined the Board in November 2014.
Qualifications	Bachelor of Laws (Hons 1); Masters of Laws; Graduate Australian Institute of Company Directors.
Experience	Chris was General Counsel at the University of Melbourne for most of his 11 year tenure. During this time, he worked extensively in governance, compliance, trusts and advancement matters, in addition to a broad range of issues and transactions requiring strategic legal input to senior members of the University. Previously, he was a partner at Baker & McKenzie for over 20 years, practising primarily in corporate and general business law, both in Australia and Asia. Chris is involved in the governance of several other not for profit organisations.
Special Responsibilities	Chair of the Governance and Risk Committee.
Adam Rich	Director. Joined the Board in March 2015.
Qualifications	Bachelor of Arts (Hons); Bachelor of Laws (Hons); Masters of Commercial Law.
Experience	Adam is a lawyer practicing in the Corporate & Commercial Division of Melbourne law firm, Wisewould Mahony. He was admitted to legal practice with Wisewould Mahony in 1999, has been a partner of the firm since 2005 and was managing partner for 6 years from 2008 to 2014. A large part of Adam's legal practice involves advising clients with respect to corporate governance and compliance and commercial business transactions and advice.
Special Responsibilities	Member of the Governance and Risk Committee.

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Directors' Report

30 June 2019

Melisa Sloan	Joined the Board in May 2018.
Qualifications	Bachelor of Laws and Bachelor of Business
Experience	Melisa is a lawyer and Principal of Madison Sloan Lawyers where she works extensively in succession planning, estate planning, probate and property matters.
	Melisa is profoundly deaf and attended Princess Elizabeth Junior School for kinder. As a consequence of this, she identifies with and understands the challenges deaf and hard at hearing children and their families' experience. She looks forward to contributing to the role DCA plays in assisting the deaf community with these challenges and the services they offer including those provided to deaf children in remote communities. She also understands the importance of the economic sustainability of DCA in servicing the diverse needs of the deaf community.
Special Responsibilities	Member of the Audit, Finance and Investment Committee.
Carol Webb	Joined the Board in May 2018.
Qualifications	Bachelor of Commerce (Honours) and Masters of Management.
Experience	Carol Webb joined the Board in 2018 and has over 15 years' experience in the Human Resources arena. She has developed and implemented a broad range of leadership, strategic human resource management and organisational capability programs. As an experienced human resources consultant, she has proven ability to coach managers, facilitate a range of corporate programs and work at Board level. She has extensive experience in change management, strategic planning, and has a passion for education and training.
	Carol has a young son who is deaf and she is committed to enhancing the level of support and opportunities for children and young people with hearing loss.
Special Responsibilities	Member of the Strategic Development Committee.
John Hall	Treasurer. Joined the Board in October 2015. Resigned in October 2018.
Qualifications	John Hall is a highly commercial senior financial management executive with over 20 years' experience delivering improved financial and business outcomes within large government and private organisations.
Special Responsibilities	Former Chair of the Audit, Finance and Risk Committee.

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Directors' Report

30 June 2019

David Buchanan	Director. Joined the Board in October 2015. Resigned in November 2018.
Qualifications	Masters of Education; Bachelor of Education; Educating Students with Hearing Impairment Diploma; Higher Diploma of Teaching; Diploma of Teaching (Primary).
Experience	David Buchanan feels truly blessed to have worked at some of the most outstanding schools and volunteered in Deaf organisations with quite different philosophies in three different countries (New Zealand, England and Australia). In all these countries, he has had access to excellent professional development where it has allowed him to grow into a better teacher and leader.
Special Responsibilities	During his teaching career, his work has been formally recognised on many occasions for showing career initiative and management in different countries. He has received the Lewisham Pride Awards: School Employee of the Year, London (2008) and Principal Association of Special Schools (PASS) award, Victoria Primary Teacher Category (2013). Former Member of the Strategic Development Committee.
Paul Richardson	Former Chair. Joined the Board in November 2009. Resigned November 2018.
Qualifications	Bachelor of Economics.
Experience	Paul is the father of a profoundly deaf daughter. Paul is a highly experienced administrator with many years' experience in the tertiary education sector. Paul was a member of the Board of Directors of Uni Super from 2001 until 2009, including Chair of the Audit Committee, member of the Remuneration Committee and the Investment Committee of that organization.
Special Responsibilities	Former Member of the Audit, Finance and Risk and Investment Committees.
Tamara Trinder-Scacco	Director. Joined Board in October 2015. Resigned in December 2018.
Qualifications	Certificate IV in Youth and Children services, Certificate IV in Disability and a Certificate IV in Training & Assessment.
Experience	Tamara Trinder-Scacco has over 15 years' experience working in the deaf community, including in not for profit organisations and private businesses such as Deaf Accessible Business Network (DABN), Sign For Work and Vicdeaf.
Special Responsibilities	Tamara is a deaf mother of two deaf children, 12 and 7 years of age. Combined with her children's and her own life experiences, she has identified the issues and barriers many deaf children and youth face on a daily basis within education, employment, community, recreation and social activities. Member of the Strategic Development Committee.

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Directors' Report

30 June 2019

Meetings of directors

During the financial year, nine Board meetings were held. Attendances by each director were as follows:

Directors' Meetings	
Number eligible to attend	Number attended
Professor Colin Clark	4
Karen Cleave	9
William de Vere Gould	3
Dr Kerry Ferguson	7
Chris Penman	9
Adam Rich	9
Melisa Sloan	9
Carol Webb	8
John Hall	2
David Buchanan	3
Paul Richardson	3
Tamara Trinder-Scacco	3

The Company is incorporated under the Corporations Act 2001 and is a Company limited by guarantee.

The Constitution states that if the company is wound up, each member is required to contribute a maximum of \$2 each towards meeting any outstanding obligations of the company. At 30 June 2019 the total amount that members of the company are liable to contribute if the company is wound up is \$158.

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2019 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: 

Director: 

Dated this 23 day of October 2019

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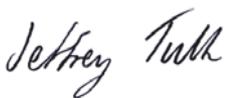
Auditor's Independence Declaration

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2019, there have been:

- (i) no contraventions of the auditor independence requirements as set out in section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.



Saward Dawson



Jeffrey Tulk
Partner

Dated : 23 October 2019

Blackburn

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Statement of Income and Expenditure

For the Year Ended 30 June 2019

		2019	2018
	Note	\$	\$
Income	4	7,931,810	6,713,991
Employee benefits expense		(4,105,097)	(3,867,909)
Depreciation and amortisation expense	5	(209,360)	(208,149)
Client support services		(361,804)	(292,984)
Consultants and interpreter fees		(211,047)	(161,582)
Insurance		(146,145)	(123,162)
Investment costs		(179,182)	(172,916)
Stationery and postage		(39,513)	(47,233)
Rental outgoings		(107,312)	(57,607)
Staff training		(25,650)	(46,006)
Utilities expense		(262,662)	(270,530)
Grants and contributions paid		(13,853)	(22,519)
Repairs and maintenance		(165,883)	(257,951)
Other expenses		(431,539)	(383,997)
Surplus attributable to members of the entity		1,672,763	801,446
Other comprehensive income			
Other comprehensive income for the year		-	-
Total comprehensive income attributable to members of the entity		1,672,763	801,446

The accompanying notes form part of these financial statements.

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Statement of Financial Position

As at 30 June 2019

	Note	2019 \$	2018 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	643,238	585,680
Trade and other receivables	7	656,784	541,417
Inventories	8	-	84,323
Other current assets	12	42,969	42,998
TOTAL CURRENT ASSETS		<u>1,342,991</u>	<u>1,254,418</u>
NON-CURRENT ASSETS			
Financial assets	9	31,833,143	30,154,479
Property, plant and equipment	10	3,614,974	3,799,354
Intangible assets	11	68,308	10,573
TOTAL NON-CURRENT ASSETS		<u>35,516,425</u>	<u>33,964,406</u>
TOTAL ASSETS		<u>36,859,416</u>	<u>35,218,824</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	506,786	418,686
Provisions	15	401,524	330,991
Income in advance	14	552,800	721,409
TOTAL CURRENT LIABILITIES		<u>1,461,110</u>	<u>1,471,086</u>
NON-CURRENT LIABILITIES			
Provisions	15	47,089	69,284
TOTAL NON-CURRENT LIABILITIES		<u>47,089</u>	<u>69,284</u>
TOTAL LIABILITIES		<u>1,508,199</u>	<u>1,540,370</u>
NET ASSETS		<u>35,351,217</u>	<u>33,678,454</u>
EQUITY			
Other reserves		-	15,131,831
Accumulated surpluses		35,351,217	18,546,623
TOTAL EQUITY		<u>35,351,217</u>	<u>33,678,454</u>

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity

For the Year Ended 30 June 2019

2019

	Other Reserves	Accumulated Surpluses	Total
	\$	\$	\$
Balance at 1 July 2018	15,131,831	18,546,623	33,678,454
Surplus attributable to members of the parent entity	-	1,672,763	1,672,763
Transfer to/(from) reserves	(15,131,831)	15,131,831	-
Balance at 30 June 2019	-	35,351,217	35,351,217

2018

	Other Reserves	Accumulated Surpluses	Total
	\$	\$	\$
Balance at 1 July 2017	15,131,830	17,745,177	32,877,007
Surplus attributable to members of the entity	1	801,446	801,447
Balance at 30 June 2018	15,131,831	18,546,623	33,678,454

The accompanying notes form part of these financial statements.

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Statement of Cash Flows

For the Year Ended 30 June 2019

	2019	2018
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	3,282,935	2,966,704
Dividends received	1,300,293	985,017
Receipt of grants	1,575,932	2,112,679
Payments to suppliers and employees	(6,257,560)	(6,072,801)
Interest received	1,115	834
Net cash provided by/(used in) operating activities	19 <u>(97,285)</u>	<u>(7,567)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of investments	226,713	163,836
Proceeds from sale of plant and equipment	38,000	6,000
Payment for property, plant and equipment	(109,870)	(47,216)
Net cash provided by/(used in) investing activities	<u>154,843</u>	<u>122,620</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net increase/(decrease) in cash and cash equivalents held	57,558	115,053
Cash and cash equivalents at beginning of year	585,680	470,627
Cash and cash equivalents at end of financial year	6 <u>643,238</u>	<u>585,680</u>

The accompanying notes form part of these financial statements.

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Notes to the Financial Statements

For the Year Ended 30 June 2019

The financial report covers Deaf Children Australia as an individual entity. Deaf Children Australia is a not-for-profit Company, registered and domiciled in Australia. Deaf Children Australia is a company limited by guarantee.

The functional and presentation currency of Deaf Children Australia is Australian dollars.

1 Basis of Preparation

Deaf Children Australia applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards.

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the Australian Charities and Not-for-profits Commission Act 2012.

The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

2 Summary of Significant Accounting Policies

(a) Revenue and other income

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

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

Donations

Donations and bequests are recognised as revenue when received.

Interest and Dividend revenue

Interest is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Fee for services

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

This is generally when claims are submitted to the Department of Social Services.

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Notes to the Financial Statements

For the Year Ended 30 June 2019

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Government grant revenue

The company receives federal government funding from the Department of Social Services and National Disability Insurance Agency, and state government funding from Department of Health and Human Services.

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

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

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

Deaf Children Australia receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in the statement of income and expenditure.

Other income

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

(b) Income Tax

No provision for income tax has been raised as the Company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(c) Inventories

Inventories are measured at the lower of cost and current replacement cost. The cost of the inventories comprises the original purchase price plus cost incurred in bringing the inventories to their present location. Inventories acquired at no cost, or for nominal consideration are valued at the current replacement cost as at the date of acquisition, which is the deemed cost.

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Notes to the Financial Statements

For the Year Ended 30 June 2019

2 Summary of Significant Accounting Policies

(d) Property, plant and equipment

Each class of property, plant and equipment is carried at cost, any accumulated depreciation and impairment. Property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

Land and buildings

Freehold land and buildings are shown at cost, less subsequent depreciation for buildings.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

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

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

Fixed asset class	Depreciation rate
Buildings	2%
Furniture, Fixtures and Fittings	10 - 33%
Motor Vehicles	15 - 20%

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.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income.

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Notes to the Financial Statements

For the Year Ended 30 June 2019

2 Summary of Significant Accounting Policies

(e) Financial instruments

Financial assets

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced a significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Company measures all financial liabilities initially at fair value less transaction costs. Subsequently, financial liabilities are measured at amortised cost using the effective interest rate method. The financial liabilities of the Company comprise trade payables and other loans.

(f) Intangibles

Software

Software has a finite life and is carried at cost less any accumulated amortisation and impairment losses. It has an estimated useful life of five years. It is assessed annually for impairment.

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Notes to the Financial Statements

For the Year Ended 30 June 2019

2 Summary of Significant Accounting Policies

(g) Employee benefits

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

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

Contributions are made by the Company to employee superannuation funds and are recorded as expenses when incurred.

(h) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less which are convertible to a known amount of cash and subject to an insignificant risk of change in value.

(i) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

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Notes to the Financial Statements

For the Year Ended 30 June 2019

2 Summary of Significant Accounting Policies

(j) Change in Accounting Policy

The company early adopted AASB 9 Financial Instruments in a previous financial year. On this adoption, the directors elected to treat all investments to be recognised as fair value through other comprehensive income (FVOCI). On subsequent review, it has been determined that some of these investments treated as FVOCI did not meet the definition of equity investments as required by AASB 9. As such, the directors have subsequently elected to change the accounting policy to recognise all investments as financial assets at fair value through profit or loss (FVTPL) in the current financial year.

This change in accounting policy has been adopted retrospectively, and comparative amounts have been adjusted accordingly. As a result, the surplus for the year ended 30 June 2018 has increased from \$827,774 deficit (as previously reported) to \$801,446 surplus (in the restated comparatives). There has been no change in the total comprehensive income for the year ended 30 June 2018, or net assets as at 30 June 2018.

The aggregate effect of the change in accounting policy on the financial statements is as follows:

	Previously stated	30 June 2018 Adjustments	Restated	Previously stated	1 July 2017 Adjustments	Restated
	\$	\$	\$	\$	\$	\$
Statement of Income and Expenditure						
Other Income	1,044,235	1,629,220	2,673,455			
Statement of Comprehensive Income						
Net fair value movements of financial assets at fair value through other comprehensive income	1,629,220	(1,629,220)	-			
Statement of Financial Position						
Asset realisation reserve	1,842,152	(1,842,152)	-	212,932	(212,932)	
Retained earnings	16,704,471	1,842,152	18,546,623	17,532,245	212,932	17,745,177

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Notes to the Financial Statements

For the Year Ended 30 June 2019

3 Critical Accounting Estimates and Judgements

The Directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company. Key Judgements:

Provision for impairment of receivables

The value of the provision for impairment of receivables is estimated by considering the ageing of receivables, communication with the debtors and prior history.

Depreciation rates

The useful lives of property, plant and equipment and intangible assets have been estimated based on Directors' assessment, the nature of the asset and prior history.

4 Revenue and Other Income

	2019	2018
	\$	\$
Revenue		
Fee for service	2,615,563	2,151,051
Operating grants	1,059,120	1,092,795
Other grants	504,770	301,672
Donations	250,330	306,477
Contributions - special purpose	105,070	4,361
Bequests	124,056	129,083
Shop sales	13,832	26,894
Other revenue	14,060	28,203
	<u>4,686,801</u>	<u>4,040,536</u>
Other Income		
Dividends received	1,300,293	985,017
Interest income	1,115	834
Rental income	27,378	52,384
Fair value movement on financial assets measured at fair value through profit or loss	(j)2 1,905,377	1,629,220
(Loss) / gain on disposal of property, plant and equipment	10,846	6,000
	<u>3,245,009</u>	<u>2,673,455</u>
Total revenue and other income	<u>7,931,810</u>	<u>6,713,991</u>

Deaf Children Australia

ABN: 57 108 025 207

Notes to the Financial Statements

For the Year Ended 30 June 2019

5 Expenses

	2019	2018
	\$	\$
Depreciation	191,420	194,163
Amortisation	17,940	13,986
	<u>209,360</u>	<u>208,149</u>
Audit Remuneration		
- Audit services	23,600	22,700

6 Cash and Cash Equivalents

Cash on hand	1,000	2,000
Cash at bank	642,238	583,680
	<u>643,238</u>	<u>585,680</u>

7 Trade and Other Receivables

CURRENT		
Trade receivables	139,605	243
Sundry receivables	517,179	541,174
	<u>656,784</u>	<u>541,417</u>

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from customers for services provided or goods sold in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

8 Inventories

CURRENT		
At cost:		
Inventory	-	84,323

9 Financial Assets

NON-CURRENT		
Financial assets at fair value through profit or loss:		
Listed investments		
- Managed investments, at fair value	31,833,143	30,154,479

Deaf Children Australia

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Notes to the Financial Statements

For the Year Ended 30 June 2019

10 Property, plant and equipment

	2019	2018
	\$	\$
LAND AND BUILDINGS		
Freehold land		
At cost	2,774	2,774
Total Land	<u>2,774</u>	<u>2,774</u>
Buildings		
At cost	6,521,347	6,521,347
Accumulated depreciation	(2,993,900)	(2,863,473)
Total buildings	<u>3,527,447</u>	<u>3,657,874</u>
Total land and buildings	<u>3,530,221</u>	<u>3,660,648</u>
PLANT AND EQUIPMENT		
Furniture, fixtures and fittings		
At cost	774,733	740,539
Accumulated depreciation	(707,597)	(682,900)
Total plant and equipment	<u>67,136</u>	<u>57,639</u>
Motor vehicles		
At cost	135,365	235,644
Accumulated depreciation	(117,748)	(154,577)
Total motor vehicles	<u>17,617</u>	<u>81,067</u>
Total plant and equipment	<u>84,753</u>	<u>138,706</u>
Total property, plant and equipment	<u>3,614,974</u>	<u>3,799,354</u>

The company holds a property- 94 Jasper Road, Bentleigh, VIC 3204 at cost. The carrying value of the property is nil, and has been subsequently sold for \$1,620,000. Settlement date is expected to be on 29 November 2019.

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Notes to the Financial Statements

For the Year Ended 30 June 2019

10 Property, plant and equipment

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	Furniture, Fixtures and Fittings	Motor Vehicles	Total
	\$	\$	\$	\$	\$
Year ended 30 June 2019					
Carrying amount at 1 July 2018	2,774	3,657,874	57,639	81,067	3,799,354
Additions	-	-	34,194	-	34,194
Disposals	-	-	-	(27,154)	(27,154)
Depreciation expense	-	(130,427)	(24,697)	(36,296)	(191,420)
Balance at the end of the year	2,774	3,527,447	67,136	17,617	3,614,974

11 Intangible Assets

	2019	2018
	\$	\$
Software license		
Cost	223,360	147,685
Accumulated amortisation	(155,052)	(137,112)
Net carrying value	68,308	10,573
Total intangible assets	68,308	10,573

Movements in carrying amounts of intangible assets

	Software license	Total
	\$	\$
Year ended 30 June 2019		
Carrying amount at 1 July 2018	10,573	10,573
Additions	75,675	75,675
Amortisation	(17,940)	(17,940)
Balance at the end of the year	68,308	68,308

12 Other Assets

CURRENT		
Prepayments	42,969	42,998

Deaf Children Australia

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Notes to the Financial Statements

For the Year Ended 30 June 2019

13 Trade and Other Payables

	2019	2018
	\$	\$
Current		
Trade payables	302,163	212,685
Accrued expenses	204,623	206,001
	<u>506,786</u>	<u>418,686</u>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

14 Income in advance

CURRENT

Government grants	490,693	575,778
Special purpose grants	62,107	145,631
Total	<u>552,800</u>	<u>721,409</u>

Income in advance represents income that has been received at 30 June 2019 but the funding was provided for activities for future periods, or funds have not been expensed on the relevant activity.

15 Provisions

CURRENT

Provision for employee benefits: long service leave	177,247	133,277
Provision for employee benefits: annual leave	224,277	197,714
	<u>401,524</u>	<u>330,991</u>

NON-CURRENT

Provision for employee benefits: long service leave	47,089	69,284
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Provision for employee benefits represents amounts accrued for annual leave and long service leave. The current portion of this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Company does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next twelve months. However, these amounts must be classified as current liabilities since the Company does not have an unconditional right to defer the settlement of these amounts in the event that employees wish to use their leave entitlement.

The non-current portion of this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits have been included in Note 1.

Deaf Children Australia

ABN: 57 108 025 207

Notes to the Financial Statements

For the Year Ended 30 June 2019

16 Financial Risk Management

The company's financial instruments consist mainly of deposits with banks, managed funds, accounts receivable and payables

The main risks Deaf Children Australia is exposed to through its financial instruments are market risk, liquidity risk and credit risk. Risks are managed on a day to day basis by the Manager of Business Operations and the Finance Manager operating within guidelines determined by the Audit, Finance and Investment Committee of the Board and with advice from Credit Suisse who manage Deaf Children Australia's investment fund portfolio.

The totals for each category of financial instrument, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

		2019	2018
		\$	\$
Financial Assets			
- Cash and cash equivalents	6	643,238	585,680
- Financial assets at fair value through profit or loss	9	31,833,143	30,154,479
- Trade and other receivables	7	656,785	541,417
		<u>33,133,166</u>	<u>31,281,576</u>
Financial Liabilities			
- Trade and other payables	13	(506,786)	(418,686)

17 Key Management Personnel Compensation

The total compensation paid to key management personnel of the Company was \$ 288,901 (2018: \$ 454,543).

Deaf Children Australia

ABN: 57 108 025 207

Notes to the Financial Statements

For the Year Ended 30 June 2019

18 Related Parties

Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

For key management personnel- Refer Note 17.

There was no remuneration paid or payable to directors by the company during the year.

The following table provides the total amount of transactions that were entered into with related parties other than Directors during the year.

	2019 \$	2018 \$
Deaf Services Australia		
Fee income received/receivable	1,195,516	1,194,587
Contributions paid	7,841	65,419
Grant income received	218,000	-
Sundry income received	9,000	5,750

The above transaction is derived from the contractual agreement DES 10-11-299 between Deaf Services Australia and Deaf Children Australia since 1 September 2013 up to 30 June 2019.

19 Cash Flow Information

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

Surplus for the year	1,672,763	801,447
Non-cash flows in profit:		
- depreciation and amortisation	209,360	208,149
- net gain on disposal of property, plant and equipment	(10,846)	(6,000)
- fair value movements on investments through profit or loss	(1,905,377)	(1,629,221)
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(115,367)	(5,534)
- (increase)/decrease in other assets	30	(28,765)
- (increase)/decrease in inventories	84,323	13,824
- increase/(decrease) in income in advance	(168,609)	578,765
- increase/(decrease) in trade and other payables	88,100	33,567
- increase/(decrease) in provisions	48,338	26,201
Cash flows from operating activities	(97,285)	(7,567)

Deaf Children Australia

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Notes to the Financial Statements

For the Year Ended 30 June 2019

20 Statutory Information

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

Deaf Children Australia
597 St Kilda Road
Melbourne Victoria 3004

Deaf Children Australia

ABN: 57 108 025 207

Directors' Declaration

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 8 to 25, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:
 - (a) comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
 - (b) give a true and fair view of the financial position as at 30 June 2019 and of the performance for the year ended on that date of the entity.
2. In the Directors' opinion, there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

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

Director



Director



Dated 23 October 2019

Deaf Children Australia

ABN: 57 108 025 207

Declaration by Executive Officer in accordance with the Charitable Fundraising Act

As at 30 June 2019

I, **Kerry Ferguson**, Chair of Deaf Children Australia state that in my opinion:

- 1) the financial report gives a true and fair view of all income and expenditure of Deaf Children Australia with respect to fundraising appeal activities for the financial year ended 30 June 2019;
- 2) the statement of financial position gives a true and fair view of the state of affairs with respect to fundraising appeal activities as at 30 June 2019;
- 3) the provisions of the Charitable Fundraising Act (NSW) 1991 and Regulations and the conditions attached to the authority have been complied with for the financial year ended 30 June 2019; and
- 4) the internal controls exercised by Deaf Children Australia are appropriate and effective in accounting for all income received and applied from any fundraising appeals.

Signed 

23 October 2019

Deaf Children Australia

Independent Audit Report to the members of Deaf Children Australia

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report of Deaf Children Australia (the Company), which comprises the statement of financial position as at 30 June 2019, the statement of income and expenditure, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the financial report of Deaf Children Australia has been prepared 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 Company's financial position as at 30 June 2019 and of its financial performance and financial result of fundraising appeal activities for the year ended; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of Deaf Children Australia 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 (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.

Directors' Responsibilities for the Financial Report

The directors of Deaf Children Australia are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Reduced Disclosure Requirements, ACNC Act, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

Deaf Children Australia

Independent Audit Report to the members of Deaf Children Australia

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 Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Deaf Children Australia's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the responsible entities.
- Conclude on the appropriateness of the responsible entities' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

Deaf Children Australia

Independent Audit Report to the members of Deaf Children Australia

Report on the Requirements of the NSW Charitable Fundraising Act 1991 and the NSW Charitable Fundraising Regulation 2015

Opinion

We have audited the financial report as required by Section 24(2) of the NSW Charitable Fundraising Act 1991.

In our opinion:

- (i) the financial statements show a true and fair view of the financial result of fundraising appeals conducted during the year;
- (ii) the accounting and associated records have been properly kept during the year in accordance with the Charitable Fundraising Act 1991 and the Regulation;
- (iii) money received as a result of fundraising appeals conducted during the year has been properly accounted for and applied in accordance with the Charitable Fundraising Act 1991 and the Regulation; and
- (iv) at the date of this report, there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

Auditor's Responsibilities

Our procedures included obtaining an understanding of the internal control structure for fundraising appeal activities and examination, on a test basis, of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising appeal activities pursuant to the NSW Charitable Fundraising Act 1991 and the NSW Charitable Fundraising Regulation 2015.

Because of the inherent limitations of any assurance engagement, it is possible that fraud, error or non-compliance may occur and not be detected. An audit is not designed to detect all instances of non-compliance with the requirements described in the abovementioned Act and Regulation as an audit is not performed continuously throughout the period and the audit procedures performed in respect of compliance with these requirements are undertaken on a test basis. The audit opinion expressed in this report has been formed on the above basis.

Saward Dawson

Saward Dawson

Jeffrey Tulk

Jeffrey Tulk
Partner

Blackburn

Dated this 23 day of October 2019