

Deaf Children Australia

ABN: 57 108 025 207

Financial Statements

For the Year Ended 30 June 2021

Deaf Children Australia

ABN: 57 108 025 207

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Directors' Report

30 June 2021

The directors present their report on Deaf Children Australia for the financial year ended 30 June 2021.

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

Review of operations

For the financial year Deaf Children Australia made a surplus of \$ 3,569,771 (2020: \$236,924). 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. Although no significant changes in the nature of these activities occurred during the year, the continued lock-downs and the associated restrictions continue to have a significant impact on how DCA delivers its services. More the majority of the FY21 year, employees have been working from home and our services have had to be delivered remotely. This has been a big adjustment to business as usual, but we are proud of the way that DCA has adapted to working under such severe restrictions, particularly in Victoria.

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 or hard of hearing. 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.

DCA offers quality services under the National Disability Insurance Scheme including youth services, Auslan tuition, parent mentoring and support co-ordination. DCA launched its new website Flying Colours - a fantastic nationwide resource for parents raising a child with a hearing loss. We were also successful in being awarded a further Information, Linkages and Capacity Building grant from the NDIS to work with community organisations across Australia to encourage and support them to be more accessible for children who are deaf or hard of hearing.

DCA's employment arm 'Sign for Work' continues to deliver under its 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 Gold Coast. The effects of COVID-19 on the economy and job market has taken its toll on Sign-for-Work but our team is working hard to provide the very best service to our clients.

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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 2020-21 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 Australia.
Experience	He is a professor of accounting and also Director of the Victoria Business Confucius Institute at Victoria University. He previously served as Dean International at Victoria University. He earlier served as Deputy Dean and Executive 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 has had previous non-executive director appointments and presently holds other roles.
Special Responsibilities	Chair of the Audit, Finance and Strategy 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 Strategy Committee.

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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 Partner at Ernst and Young. He has been employed at Ernst and Young since 2019 the first five years in London and the remaining time in Melbourne. Previously William has also worked at National Australia Bank (NAB), Deloitte and Touche/Arthur Andersen for six years. Professionally, William specialises 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.
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 forty 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. She is a nationally accredited mediator.
Special Responsibilities	Member of the Audit, Finance and Strategy 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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Melisa Sloan	Joined the Board in May 2018.
Qualifications	Bachelor of Laws and Bachelor of Business
Experience	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 enjoys 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 Strategy 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 Audit, Finance and Strategy Committee.

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Directors' Report

30 June 2021

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	9
Ms Karen Cleave	9
Mr William de Vere Gould	9
Dr Kerry Ferguson	9
Mr Chris Penman	8
Mr Adam Rich	9
Ms Melisa Sloan	9
Ms Carol Webb	9

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 2021 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 2021 has been received and can be found on page 6 of the financial report.

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



Director:

Kerry Ferguson - Chair



Director:

Colin Clark - Treasurer

Dated this 12 day of November 2021

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Auditor's Independence Declaration

In accordance with Subdivision 60-C of the *Australian Charities and Not-for-profits Commission Act 2012*, I am pleased to provide the following declaration of independence to the directors of Deaf Children Australia. As the lead audit partner for the audit of the financial statements of Deaf Children Australia for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, during the year ended 30 June 2021, 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: 12 November 2021

Blackburn

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Statement of Income and Expenditure

For the Year Ended 30 June 2021

		2021	2020
	Note	\$	\$
Income	4	10,252,723	6,121,767
Employee benefits expense		(4,187,913)	(3,868,130)
Depreciation and amortisation expense	5	(271,401)	(278,115)
Client support services		(128,954)	(219,225)
Consultants and interpreter fees		(594,845)	(158,299)
Insurance		(178,602)	(144,397)
Investment costs		(203,081)	(192,413)
Stationery and postage		(44,969)	(59,623)
Rental outgoings		(13,931)	(14,654)
Staff training		(25,474)	(20,167)
Utilities expense		(338,041)	(229,885)
Grants and contributions paid		(15,566)	(14,503)
Repairs and maintenance		(108,153)	(240,548)
Other expenses		(561,451)	(433,372)
Finance costs	12	(10,571)	(11,512)
Surplus attributable to members of the entity		3,569,771	236,924
Other comprehensive income			
Other comprehensive income for the year		-	-
Total comprehensive income attributable to members of the entity		3,569,771	236,924

The accompanying notes form part of these financial statements.

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Statement of Financial Position

As at 30 June 2021

	Note	2021 \$	2020 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	335,683	270,618
Trade and other receivables	7	538,088	646,234
Inventories		11,582	-
Other current assets	8	39,580	105,936
TOTAL CURRENT ASSETS		<u>924,933</u>	<u>1,022,788</u>
NON-CURRENT ASSETS			
Financial assets	9	36,482,064	32,283,502
Property, plant and equipment	10	3,326,685	3,483,457
Right-of-use assets	12	185,039	275,671
Intangible assets	11	36,680	47,892
TOTAL NON-CURRENT ASSETS		<u>40,030,468</u>	<u>36,090,522</u>
TOTAL ASSETS		<u><u>40,955,401</u></u>	<u><u>37,113,310</u></u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	294,805	352,804
Provisions	14	523,287	412,025
Income in advance	15	756,363	442,892
Lease liabilities	12	90,898	84,766
TOTAL CURRENT LIABILITIES		<u>1,665,353</u>	<u>1,292,487</u>
NON-CURRENT LIABILITIES			
Provisions	14	22,677	31,245
Lease liabilities	12	109,459	201,437
TOTAL NON-CURRENT LIABILITIES		<u>132,136</u>	<u>232,682</u>
TOTAL LIABILITIES		<u>1,797,489</u>	<u>1,525,169</u>
NET ASSETS		<u><u>39,157,912</u></u>	<u><u>35,588,141</u></u>
EQUITY			
Accumulated surpluses		<u>39,157,912</u>	<u>35,588,141</u>
TOTAL EQUITY		<u><u>39,157,912</u></u>	<u><u>35,588,141</u></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 2021

2021

	Accumulated Surpluses	Total
	\$	\$
Balance at 1 July 2020	35,588,141	35,588,141
Surplus attributable to members of the entity	3,569,771	3,569,771
Balance at 30 June 2021	39,157,912	39,157,912

2020

	Accumulated Surpluses	Total
	\$	\$
Balance at 1 July 2019	35,351,217	35,351,217
Surplus attributable to members of the entity	236,924	236,924
Balance at 30 June 2020	35,588,141	35,588,141

The accompanying notes form part of these financial statements.

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Statement of Cash Flows

For the Year Ended 30 June 2021

	Note	2021 \$	2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		4,439,209	2,628,168
Dividends received		844,029	1,148,320
Receipt of grants and subsidies		1,367,646	969,540
Payments to suppliers and employees		(6,533,282)	(4,845,403)
Interest received		430	848
Finance costs		-	(11,512)
Net cash provided by/(used in) operating activities	19	<u>118,032</u>	<u>(110,039)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Redemption/(Placement) of investments		45,664	(1,756,156)
Proceeds from sale of plant and equipment		-	1,607,415
Payment for property, plant and equipment		(12,785)	(35,650)
Net cash provided by/(used in) investing activities		<u>32,879</u>	<u>(184,391)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Lease payments		(85,846)	(78,190)
Net cash provided by/(used in) financing activities		<u>(85,846)</u>	<u>(78,190)</u>
Net increase/(decrease) in cash and cash equivalents held		65,065	(372,620)
Cash and cash equivalents at beginning of year		270,618	643,238
Cash and cash equivalents at end of financial year	6	<u>335,683</u>	<u>270,618</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 2021

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 general purpose financial statements have been prepared in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board.

The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. 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

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

Donations

Donations and bequests which do not have an enforceable contract are recognised as revenue when received.

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Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(a) Revenue and other income

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.

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 on the basis that the transfer of promised goods or services to customers at an amount that reflects the consideration expected to be received in exchange for those goods or services. Each agreement is analysed to determine the revenue recognition in accordance with the five step model. Where performance obligations have not been met, it will result in unearned income at year end.

Other income

Other income is recognised on an accruals basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services.

(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.

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Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(c) Property, plant and equipment

Each class of property, plant and equipment is carried at cost, less 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 asset's 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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For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(d) Leases

Right-of-use asset

At the lease commencement, the Company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Company believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

Lease liability

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Company's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured when there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Company's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected to use the exception to lease accounting for short-term leases, and the lease expense relating to these leases are recognised in the statement of profit or loss on a straight line basis.

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Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(e) Financial instruments

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL.

Net gains or losses, including any interest or dividend income are recognised in profit or loss.

The Company's financial assets measured at FVTPL comprise of managed funds and equity investments in the statement of financial position.

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.

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Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(e) Financial instruments

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 2021

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 cash flows.

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.

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.

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Notes to the Financial Statements

For the Year Ended 30 June 2021

4 Revenue and Other Income

	2021	2020
	\$	\$
Revenue		
Fee for service	2,870,800	2,736,373
Operating grants	140,273	488,308
Other grants	577,173	493,008
Donations	256,672	224,991
Contributions - special purpose	15,566	165,402
Bequests	417,658	99,478
Other revenue	182,546	19,072
	<u>4,460,688</u>	<u>4,226,632</u>
Other Income		
Dividends received and investment income	844,029	1,148,320
Interest income	430	848
Rental income	3,150	6,539
Fair value movement on financial assets measured at fair value through profit or loss	4,244,226	(1,305,797)
(Loss) / gain on disposal of property, plant and equipment	-	1,609,225
Government subsidies	700,200	436,000
	<u>5,792,035</u>	<u>1,895,135</u>
Total revenue and other income	<u>10,252,723</u>	<u>6,121,767</u>

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Notes to the Financial Statements

For the Year Ended 30 June 2021

5 Expenses

	2021	2020
	\$	\$
Depreciation of fixed assets	172,371	168,977
Amortisation	11,212	20,416
Depreciation of right-of-use asset	87,818	88,722
	<u>271,401</u>	<u>278,115</u>
Audit Remuneration		
- Audit services	<u>24,800</u>	<u>24,300</u>

6 Cash and Cash Equivalents

Cash on hand	170	170
Cash at bank	335,513	270,448
	<u>335,683</u>	<u>270,618</u>

7 Trade and Other Receivables

CURRENT		
Trade receivables	118,012	82,094
Sundry receivables	418,309	564,140
Other receivables	1,767	-
	<u>538,088</u>	<u>646,234</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 Other Assets

CURRENT		
Prepayments	39,580	39,449
Contract assets	-	66,487
	<u>39,580</u>	<u>105,936</u>

9 Financial Assets

NON-CURRENT		
Financial assets at fair value through profit or loss:		
Listed investments		
- Managed investments, at fair value	<u>36,482,064</u>	<u>32,283,502</u>

Deaf Children Australia

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Notes to the Financial Statements

For the Year Ended 30 June 2021

10 Property, plant and equipment

	2021	2020
	\$	\$
LAND AND BUILDINGS		
Freehold land		
At cost	2,774	2,774
Total Land	<u>2,774</u>	<u>2,774</u>
Buildings		
At cost	6,532,453	6,532,453
Accumulated depreciation	(3,255,191)	(3,124,547)
Total buildings	<u>3,277,262</u>	<u>3,407,906</u>
Total land and buildings	<u>3,280,036</u>	<u>3,410,680</u>
PLANT AND EQUIPMENT		
Furniture, fixtures and fittings		
At cost	816,694	801,095
Accumulated depreciation	(770,938)	(734,047)
Total plant and equipment	<u>45,756</u>	<u>67,048</u>
Motor vehicles		
At cost	115,074	115,074
Accumulated depreciation	(114,181)	(109,345)
Total motor vehicles	<u>893</u>	<u>5,729</u>
Total plant and equipment	<u>46,649</u>	<u>72,777</u>
Total property, plant and equipment	<u>3,326,685</u>	<u>3,483,457</u>

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 2021					
Carrying amount at 1 July 2020	2,774	3,407,906	67,048	5,729	3,483,457
Additions	-	-	15,599	-	15,599
Depreciation expense	-	(130,644)	(36,891)	(4,836)	(172,371)
Balance at the end of the year	<u>2,774</u>	<u>3,277,262</u>	<u>45,756</u>	<u>893</u>	<u>3,326,685</u>

Deaf Children Australia

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Notes to the Financial Statements

For the Year Ended 30 June 2021

11 Intangible Assets

	2021	2020
	\$	\$
Software license		
Cost	223,360	223,360
Accumulated amortisation	(186,680)	(175,468)
Total intangible assets	36,680	47,892

Movements in carrying amounts of intangible assets

	Software license	Total
	\$	\$
Year ended 30 June 2021		
Carrying amount at 1 July 2020	36,680	36,680
Balance at the end of the year	36,680	36,680

Deaf Children Australia

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Notes to the Financial Statements

For the Year Ended 30 June 2021

12 Leases

Right-of-use assets

	2021
	\$
Year ended 30 June 2021	
Carrying amount at 1 July 2020	364,393
Depreciation charge	<u>(179,354)</u>
Balance at end of year	<u><u>185,039</u></u>

The two property leases are non-cancellable leases with various terms and options. Rent is payable monthly in advance. Suite No 202B, Toowong Office Tower property lease has a five year term ending 30 June 2023 with no further term options expected to be exercised at this stage and a fixed yearly rent payment increase of 4%. Suite 9/134-136 Cambridge Street, Collingwood property lease has a five year term ending 9 October 2021 with three further term options of one year each of which two are expected to be exercised and a fixed yearly rent payment increase of 4%. The discount rate (interest rate) utilised in calculating the lease liability was 3.5%

Lease liabilities

	2021	2020
	\$	\$
Current Lease liability	90,898	84,766
Non-current Lease liability	109,459	201,437
	<u>200,357</u>	<u>286,203</u>

Amounts recognised in the statement of profit or loss and other comprehensive income

Depreciation charge of right-of-use assets	87,818	88,722
Interest expense on lease liabilities	10,571	11,512
Expense relating to short-term leases	13,931	14,654

Deaf Children Australia

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Notes to the Financial Statements

For the Year Ended 30 June 2021

13 Trade and Other Payables

	2021	2020
	\$	\$
Current		
Trade payables	269,528	350,570
GST payable	21,889	2,234
Other payables	3,388	-
	<u>294,805</u>	<u>352,804</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 Provisions

CURRENT

Provision for employee benefits: long service leave	172,600	156,388
Provision for employee benefits: annual leave	350,687	255,637
	<u>523,287</u>	<u>412,025</u>

NON-CURRENT

Provision for employee benefits: long service leave	<u>22,677</u>	<u>31,245</u>
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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.

15 Income in advance

CURRENT

Government grants	90,866	380,677
Jobkeeper	338,100	-
Special purpose grants	327,397	62,215
Total	<u>756,363</u>	<u>442,892</u>

Income in advance represents income that has been received at 30 June 2021 but the funding was provided for activities for future periods, or funds have not been expensed on the relevant activity. Jobkeeper was received for the December 2020 quarter but was subsequently identified as being received in error and is currently with the ATO for review at time of signing.

Deaf Children Australia

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Notes to the Financial Statements

For the Year Ended 30 June 2021

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 Strategy 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:

		2021	2020
		\$	\$
Financial Assets			
- Cash and cash equivalents	6	335,683	270,618
- Financial assets at fair value through profit or loss	9	36,482,064	32,283,502
- Trade and other receivables	7	538,088	646,234
		<u>37,355,835</u>	<u>33,200,354</u>
Financial Liabilities			
- Trade and other payables	13	(294,805)	(352,804)
- Lease liabilities	12	(200,357)	(286,203)
		<u>36,860,673</u>	<u>32,561,347</u>

17 Key Management Personnel Compensation

The total compensation paid to key management personnel of the Company was \$ 299,597 (2020: \$ 314,101).

Deaf Children Australia

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Notes to the Financial Statements

For the Year Ended 30 June 2021

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 18.

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.

	2021 \$	2020 \$
Deaf Services Australia		
Fee income received/receivable	960,950	1,105,188
Contributions paid	19,065	15,474
Grant income received	-	218,000
Sundry income received	346	-

The above transactions are derived from the contractual agreement DES 10-11-299 between Deaf Services Australia and Deaf Children Australia since 1 September 2013.

19 Cash Flow Information

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

Surplus for the year	3,569,771	236,924
Non-cash flows in profit:		
- depreciation and amortisation	271,401	278,115
- net loss/(gain) on disposal of property, plant and equipment	-	(1,609,225)
- fair value movements on investments through profit or loss	(4,244,226)	1,305,797
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	108,146	10,550
- (increase)/decrease in other assets	66,356	(62,967)
- (increase)/decrease in inventories	(11,582)	-
- increase/(decrease) in income in advance	313,471	(109,908)
- increase/(decrease) in trade and other payables	(57,999)	(153,982)
- increase/(decrease) in provisions	102,694	(5,343)
Cash flows from operating activities	118,032	(110,039)

Deaf Children Australia

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Notes to the Financial Statements

For the Year Ended 30 June 2021

20 Reporting Requirements Under the New South Wales Charitable Fundraising Act 1991

No donations through direct appeals were received from New South Wales during the year.

(a) Aggregate gross income and total direct expenses of appeal

	2021	2020
	\$	\$
Gross Proceeds from Appeals and Other Activities	-	324,469
Total Direct Cost of Appeals and Other Activities	-	(196,736)
Total	-	127,733

(b) Details of appeal income and costs

2021

Total cost of appeals / gross income from appeals and other activities	0	0%
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Net surplus from appeals / gross income from appeals and other activities	0	0%
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2020

Total cost of appeals / gross income from appeals and other activities	196,736/ 324,469	60.63%
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Net surplus from appeals / gross income from appeals and other activities	127,733/ 324,469	39.37%
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21 Events after the end of the Reporting Period

Subsequent to the balance date, there has been a continuing impact of the global outbreak of Coronavirus disease (COVID-19) that has caused a significant impact to the global economy. There are no adjusting events to the financial statements as at 30 June 2021, however this outbreak has impacted the extent and nature of the activities undertaken by Deaf Children Australia and may have an impact to the Company's future financial performance and position. Management do not believe that the impact of COVID-19 will impact the ability of the Company to continue as a going concern.

22 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 7 to 26, 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 2021 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

Kerry Ferguson - Chair



Director

Colin Clark - Treasurer

Dated 12 November 2021

Deaf Children Australia

ABN: 57 108 025 207

Declaration by Executive Officer in accordance with the Charitable Fundraising Act

As at 30 June 2021

I, David Wilson , CEO 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 2021;
- 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 2021;
- 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 2021; 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.

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 2021, 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 2021 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.

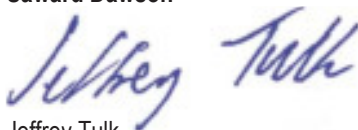
Auditor's Responsibilities

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



Jeffrey Tulk
Partner

Blackburn

Dated this12th..... day ofNovember.....2021