

Deaf Children Australia

ABN: 57 108 025 207

Financial Statements

For the Year Ended 30 June 2024

Deaf Children Australia

ABN: 57 108 025 207

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For the Year Ended 30 June 2024

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Directors' Report

30 June 2024

The directors present their report on Deaf Children Australia for the financial year ended 30 June 2024.

Directors

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

Ms Janet Collins	Appointed April 2024
Ms Nicola Paroissien	Appointed July 2023
Ms Irena Farinacci	Appointed November 2023
Mrs Jacky Clark	Appointed November 2023
Mr Noel Henderson	Appointed November 2023
Mrs Tamara Trinder – Scacco	Appointed November 2023
Mr Geoff Manton	Appointed March 2024
Mr Anthony Busuttil	Appointed March 2024
Professor Colin Clark	Resigned December 2023
Ms Karen Cleave	Resigned November 2023
Dr Kerry Ferguson	Resigned November 2023
Mr Adam Rich	Resigned November 2023
Miss Melisa Sloan	Resigned January 2024
Ms Carol Webb	Resigned January 2024
Mr Sendur Kathir	Appointed August 2023 – Resigned December 2023
Mr Arthur Dimitropoulos	Appointed October 2023 – Resigned December 2023

Review of operations

For the financial year, Deaf Children Australia (DCA) incurred a deficit of \$1,183,060 (2022/23: deficit of \$143,206). While this reflects a larger deficit compared to the previous financial year, it aligns with the organisation's strategic efforts to invest in essential programs and services supporting deaf and hard-of-hearing children and their families. No significant changes occurred in the state of affairs of the company during this period.

Principal activities

The principal activity of Deaf Children Australia throughout the financial year continued to focus on championing the growth, empowerment, and social inclusion of deaf and hard-of-hearing children, young people, and their families across Australia. DCA's mission is to remove barriers to personal development and social inclusion, offering critical support to this community through a range of tailored programs and resources.

In both the short and long term, DCA is committed to fostering equal opportunities, improving access to education and psychosocial development, and empowering families. Core services include Parent Mentoring, bilingual Auslan/English language resources for preschool and early primary school-aged children, Family Camps in Queensland, Victoria, and Tasmania, Youth and Family Community Activities, and Specialist Disability Employment Services (Sign for Work).

Additionally, DCA runs national community capacity-building programs like Puggles Swim and Blueprint (Lead by Example), along with providing vital information services (Flying Colours) and advocacy initiatives. Through these efforts, DCA continues to foster the development of confident, thriving young Australians who can fully engage with their communities.

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DCA's employment arm 'Sign for Work' continues to deliver under its current seven-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.

DCA continues to provide accommodation and grounds services for the Victorian College for the Deaf and the Victorian Deaf Education Institute. The 162 year old property is of iconic standing in the community.

Information on Directors	
The information on directors, in office on 30 June 2024, is as follows:	
Janet Collins	Chair. Joined the Board in April 2024
Experience & Qualifications	<p>With 30 years' experience in state and local government and not-for-profit organisations, Janet brings to DCA a professional skill set of strategic leadership, risk management and stakeholder engagement.</p> <p>Janet's corporate governance experience comes from her board and committee roles across a range of not-for-profit organisations such as SWAN (Syndromes Without A Name) Australia, South West Healthcare and Mpower Incorporated. Her committee roles involve a strong focus on governance, community engagement and quality of care.</p> <p>As a Graduate of the Australian Institute of Company Directors Janet's qualifications include a Bachelor of Arts (Monash), Bachelor of Social Work (Monash), Master of Social Work (Monash) and a Graduate Certificate in Disability Studies (Deakin).</p> <p>Janet understands the difficulties faced by families in rural communities in securing specialist supports for their children. Living in southwest Victoria, her lived experience as the primary carer of her son with a disability has shaped her awareness, insights and acuity.</p>
Special Responsibilities	Member of the Governance, Risk and Quality of Care Committee
Nicola Paroissien	Deputy Chair. Joined the Board in July 2023
Experience & Qualifications	<p>Nicola is an accomplished executive director with over two decades of experience across public and private equity businesses. Nicola has earned a strong reputation as a respected and credible leader focusing on market growth, bottom-line profitability, creative problem-solving, and honest and inclusive leadership. With proven technical marketing skills, managing large-scale commercial projects leveraging her skills in business transformation, innovation, market research and branding, Nicola's skill set will be valuable in driving DCA's future strategies.</p> <p>Nicola's passion for her career is coupled with her personal experience. Nicola's youngest daughter was born profoundly deaf in both ears and was a recipient of cochlear implants at 10 months old. As such, her family's journey has given Nicola a well-honed perception and comprehension of the challenges.</p>
Special Responsibilities	Member of the Audit and Finance Committee

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Anthony Busuttil	Treasurer. Joined the Board in March 2024
Experience & Qualifications	<p>Anthony recently joined DCA bringing a range of C suite skills to the Board. As a Fellow of the Taxation Institute and the Institute of Public Accountants, Anthony has a rigorous understanding of compliance, governance, risk and finance – all of which adds depth and critical skills to the DCA Board.</p> <p>Anthony's corporate experience spans over 40 years and covers roles in quality management, HR, industrial relations and, importantly, leasing and property management. He has held a number of board positions and has also held a Parish Council position in his local church community.</p> <p>Holding various accounting qualifications and an MBA, Anthony is well placed to provide valued counsel and guidance on the strategy and future of DCA.</p> <p>Now in his second year of retirement, Anthony is in a position to give back in a personal capacity, considering over the years he has had his own challenges relating to hearing loss.</p> <p>Associate Diploma in Accounting (AssocDipAcc), Master in Business Administration (MBA), Graduate Certificate in Business Administration (GCertBA).</p>
Special Responsibilities	Treasurer Audit and Finance Committee
Irena Farinacci	Joined the Board in November 2023
Experience & Qualifications	<p>As a deaf woman with a profound hearing loss, Irena is passionate about ensuring that everyone has the opportunity to participate in society without barriers.</p> <p>Currently, Irena is the National Inclusion and Diversity Coordinator with Tennis Australia where she has overseen and delivered a range of inclusion initiatives. Previously Irena held senior positions with Deaf Sports Australia and the World Masters Games.</p> <p>Irena enjoys thinking outside the box, problem solving and collaborating with team members bringing projects to life. Irena has been involved with the deaf and hard of hearing community since 1999 as a board member with Expression Australia, Deaf Basketball Australia, as secretary-General Asia Pacific for the DIBF and President of the Deaf Sports Association.</p> <p>In 1997 and 2005 Irena represented Australia in the Deaflympic Games.</p> <p>Diploma of Management (DipMan).</p>
Special Responsibilities	Member of the Governance, Risk and Quality of Care Committee
Jacky Clark	Joined the Board in November 2023
Experience & Qualifications	<p>With 35 years of experience as a Teacher of the Deaf in a variety of educational settings including VCD (Victorian College for the Deaf) and the Visiting Teacher Service, Jacky brings proven knowledge and skills to the DCA Board.</p> <p>Her wealth of experience in partnering and operating small businesses, including ownership of a community pharmacy for 10 years has given Jacky a significant level of financial, marketing, and business management skills.</p> <p>She understands the ongoing and associated challenges and frustrations for deaf and hard of hearing students and their families, together with the importance of programs that support early intervention and mentoring for parents and children. As a dedicated advocate for successful community engagement between the worlds of 'the hearing' and 'the deaf and hard of hearing' Jacky is committed to supporting DCA's programs that heighten awareness of equality,</p>

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Directors' Report

30 June 2024

	opportunity, and inclusion.
Geoff Manton	Joined the Board in March 2024
Experience & Qualifications	<p>Geoff has 35 years extensive experience in the not-for-profit and community sector in the fields of youth services, disability services, allied health, early childhood education and State and Federal employment programs.</p> <p>Geoff has been a CEO in the disability and youth services sectors and has served on the Board of the National Employment Services Association and the Board of the Eureka Community Kindergarten Association.</p> <p>Geoff has bilingual (English:Auslan) competencies and has held senior management positions in Deaf Services across Victoria, West Australia and Queensland.</p> <p>Diploma Front Line Management, Diploma Lead Auditor QMS Systems, Bachelor of Disability Studies (BDisSt),</p>
Special Responsibilities	Chair of the Governance, Risk and Quality of Care Committee
Noel Henderson	Joined the Board in November 2023
Experience & Qualifications	<p>Noel has lived experience as a deaf person. As a post-lingual deaf person Noel understands what it's like to have hearing and be deaf.</p> <p>Noel has held senior roles for Multinational ICT Companies in the Government, Utility and Telecommunications sectors implementing Business Transformation solution and Business Automation.</p> <p>Noel has experience in Six Sigma Quality methodologies and tools used to improve business processes by reducing defects and errors.</p> <p>Noel has been a director and leader of membership-based and community organisations ranging from Surf Life Saving to Children's charities to rowing and football clubs.</p> <p>Noel has previous experience as, NFP Chair and members of NFP Boards & Governance and finance committees.</p> <p>Noel is Bilingual using spoken English and Auslan.</p>
Special Responsibilities	Member of the Audit and Finance Committee
Tamara Trinder-Scacco	Joined the Board in November 2023
Experience & Qualifications	<p>As a Deaf woman and mother of two Deaf daughters, Tamara brings not only lived experience, but also comprehensive and tested insights into both the lives and daily challenges of deaf and hard-of-hearing children complemented with an understanding of a families' unique experience to the DCA Board.</p> <p>Tamara is a key supporter of DCA's new strategic focus on providing quality, relevant programs for deaf and hard-of-hearing people and their families.</p> <p>Previously a DCA Board member Tamara has also served as a Board member for St Mary's College of the Deaf.</p>

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Directors' Report

30 June 2024

Meetings of directors

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

	Directors' Meetings	
	Number eligible to attend	Number attended
Ms Janet Collins	4	4
Ms Nicola Paroissien	13	11
Mr Anthony Busuttil	5	5
Miss Irena Farinacci	10	9
Mrs Jacky Clark	10	10
Mr Geoff Manton	5	5
Mr Noel Henderson	10	8
Mrs Tamara Trinder-Scacco	10	9
Dr Kerry Ferguson	4	4
Professor Colin Clark	6	6
Ms Karen Cleave	3	2
Mr Adam Rich	3	2
Miss Melisa Sloan	5	3
Ms Carol Webb	5	5
Mr Sendur Kathir	5	5
Mr Arthur Dimitropoulos	3	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. On 30 June 2024, the total amount that members of the company are liable to contribute if the company is wound up is \$72.

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2024 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: 

Director: 

Dated this 11th day of November 2024

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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 2024, I declare that, to the best of my knowledge and belief, during the year ended 30 June 2024, 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 2024

Blackburn

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Statement of Income and Expenditure

For the Year Ended 30 June 2024

		2024	2023
	Note	\$	\$
Revenue	4	3,966,761	5,471,707
Other income	4	2,605,155	2,482,269
Employee benefits expense		(4,432,682)	(4,809,135)
Depreciation and amortisation expense	5	(254,514)	(280,078)
Client support services		(107,563)	(116,154)
Consultants and interpreter fees		(900,307)	(831,160)
Insurance		(238,860)	(222,519)
Fundraising expense		(230,927)	(199,152)
Legal expense		(81,901)	(205,752)
Board and governance expense		(114,097)	(112,416)
Investment costs		(167,461)	(111,104)
Stationery and postage		(79,819)	(80,746)
Rental outgoings		(66,471)	(16,314)
Staff training		(61,442)	(93,656)
Utilities expense		(365,450)	(388,123)
Grants and contributions paid		(76,158)	(87,882)
Repairs and maintenance		(124,893)	(155,713)
Other expenses		(448,751)	(384,694)
Finance costs - lease interest	12	(3,680)	(2,584)
Surplus/(deficit) for the year		(1,183,060)	(143,206)

The accompanying notes form part of these financial statements.

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Statement of Financial Position

As at 30 June 2024

	Note	2024 \$	2023 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	238,712	845,648
Trade and other receivables	7	800,710	486,910
Inventories		86,574	90,378
Other current assets	8	203,937	147,623
TOTAL CURRENT ASSETS		<u>1,329,933</u>	<u>1,570,559</u>
NON-CURRENT ASSETS			
Financial assets	9	29,153,448	30,163,726
Property, plant and equipment	10	3,557,440	3,728,128
Right-of-use assets	12	55,378	9,403
Intangible assets	11	1,550	6,844
TOTAL NON-CURRENT ASSETS		<u>32,767,816</u>	<u>33,908,101</u>
TOTAL ASSETS		<u><u>34,097,749</u></u>	<u><u>35,478,660</u></u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	420,716	480,560
Provisions	14	467,474	467,114
Income in advance	15	495,318	666,147
Lease liabilities	12	59,835	10,905
TOTAL CURRENT LIABILITIES		<u>1,443,343</u>	<u>1,624,726</u>
NON-CURRENT LIABILITIES			
Provisions	14	4,015	20,483
TOTAL NON-CURRENT LIABILITIES		<u>4,015</u>	<u>20,483</u>
TOTAL LIABILITIES		<u>1,447,358</u>	<u>1,645,209</u>
NET ASSETS		<u><u>32,650,391</u></u>	<u><u>33,833,451</u></u>
EQUITY			
Accumulated surpluses		<u>32,650,391</u>	<u>33,833,451</u>
TOTAL EQUITY		<u><u>32,650,391</u></u>	<u><u>33,833,451</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 2024

2024

	Accumulated Surpluses \$	Total \$
Balance at 1 July 2023	33,833,451	33,833,451
Deficit attributable to members of the entity	(1,183,060)	(1,183,060)
Balance at 30 June 2024	32,650,391	32,650,391

2023

	Accumulated Surpluses \$	Total \$
Balance at 1 July 2022	33,976,657	33,976,657
Deficit attributable to members of the entity	(143,206)	(143,206)
Balance at 30 June 2023	33,833,451	33,833,451

The accompanying notes form part of these financial statements.

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Statement of Cash Flows

For the Year Ended 30 June 2024

	2024	2023
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	2,742,551	5,339,022
Dividends received	826,542	1,067,239
Receipt of grants and subsidies	1,125,415	827,730
Payments to suppliers and employees	(7,905,595)	(8,342,553)
Interest received	6,004	5,308
Interest paid - leases	(3,680)	(2,584)
Net cash provided by/(used in) operating activities	19 (3,208,763)	(1,105,838)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of investments	3,251,207	3,009,065
Payment for investments	(573,803)	(810,158)
Payment for property, plant and equipment	(13,751)	(553,222)
Net cash provided by/(used in) investing activities	2,663,653	1,645,685
CASH FLOWS FROM FINANCING ACTIVITIES:		
Lease payments	(61,826)	(98,554)
Net cash provided by/(used in) financing activities	(61,826)	(98,554)
Net increase/(decrease) in cash and cash equivalents held	(606,936)	441,293
Cash and cash equivalents at beginning of year	845,648	404,355
Cash and cash equivalents at end of financial year	6 238,712	845,648

The accompanying notes form part of these financial statements.

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Notes to the Financial Statements

For the Year Ended 30 June 2024

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 (DCA) applies Australian Accounting Standards – Simplified Disclosure Standards 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.

DCA 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 Material Accounting Policies

(a) Revenue and other income

Donations and Bequests

Donations and bequests which do not have an enforceable contract 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 and the National Disability Insurance Agency.

Government grant revenue

Deaf Children Australia 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.

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Notes to the Financial Statements

For the Year Ended 30 June 2024

2 Summary of Material Accounting Policies

(a) Revenue and other income

Rental income

Rental income is recognised on a straight-line basis over the term of the lease.

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 DCA expects to receive in exchange for those goods or services.

(b) Income Tax

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

(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, 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 2024

2 Summary of Material Accounting Policies

(d) Leases

Right-of-use asset

At the lease commencement, DCA recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where DCA 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 DCA'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 DCA'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.

Exceptions to lease accounting

DCA has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. DCA recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

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Notes to the Financial Statements

For the Year Ended 30 June 2024

2 Summary of Material 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, DCA 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 DCA changes its business model for managing financial assets.

Financial assets at amortised cost

Financial assets that meet the following conditions are measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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.

DCA'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

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Notes to the Financial Statements

For the Year Ended 30 June 2024

2 Summary of Material Accounting Policies

(e) Financial instruments

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 (Australian Accounting Standards Board - Financial Instruments), which uses an estimation of lifetime expected credit losses. DCA 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

DCA 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 DCA 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.

(g) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, and 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.

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Notes to the Financial Statements

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2 Summary of Material Accounting Policies

(h) Employee benefits

Provision is made for DCA's liability for employee benefits arising from services rendered by employees to the end of the reporting year.

Employee benefits expected to be settled within one year together with benefits arising from wages and salaries, and annual leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled plus related on costs.

DCA's provision for long service leave consists principally of the estimated value of long service leave entitlements accrued from the start date of each employee. Long service leave is 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 satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

Long service leave is calculated using the assumption that DCA will recover a portion of the liability from the PLSA for eligible employees. The liability is presented net of the entitlements held with the PLSA, however includes related on-costs which remain an obligation of the employer.

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

Portable Long Service Leave

From 1 July 2019 eligible employees of the Company are covered by the Portable Long Service Scheme (PLSA) in the state of Victoria. This scheme has been established under the Long Service Benefits Portability Act 2018 (Vic).

DCA is a registered employer with the Portable Long Service Authority (PLSA) and pays levies for eligible employees on a quarterly basis. Under this arrangement, the PLSA provide cash benefits to employees that meet the required service period under the Long Service Leave Act 2018 (Vic) in the community services sector. DCA is entitled to seek recovery from the PLSA for eligible employees.

Portable long service leave levies are expensed on an accruals basis based on quarterly payroll expenditure incurred.

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Notes to the Financial Statements

For the Year Ended 30 June 2024

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 and judgements assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within DCA.

Key Estimate - 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.

Key Estimate - 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.

Key Judgement - Performance obligations under AASB 15

To identify a performance obligation under AASB 15, the promise must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the promise is sufficiently specific by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised goods or services. In making this assessment, management includes the nature/ type, cost/ value, quantity and the period of transfer related to the goods or services promised.

Key Judgement - Lease term and option to extend under AASB 16 (Australian Accounting Standards Board - Leases)

The lease term is defined as the non-cancellable period of a lease together with both periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option and also periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. The options that are reasonably going to be exercised is a key management judgement that the association will make. DCA determines the likelihood to exercise the options on a lease-by-lease basis looking at various factors such as which assets are strategic and which are key to future strategy of DCA.

Deaf Children Australia

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Notes to the Financial Statements

For the Year Ended 30 June 2024

4 Revenue and Other Income

	2024 \$	2023 \$
Revenue from contracts with customers (AASB 15)		
Fee for service	1,814,304	2,783,607
Contributions - special purpose	112,773	142,738
Sales of goods	61,495	91,818
Government Funding		
- Operating Grants	154,500	153,500
- Other grants	768,844	477,986
	2,911,916	3,649,649
Revenue recognised on receipt (not enforceable or no sufficiently specific performance obligations - AASB 1058)		
Donations	551,325	410,611
Bequests	340,088	1,300,984
Other revenue	163,432	110,463
	1,054,845	1,822,058
Total revenue	3,966,761	5,471,707
Other Income		
Dividends received and investment income	826,542	1,067,239
Interest income	6,004	5,308
Rental income	105,483	-
Fair value movement on financial assets measured at fair value through profit or loss	1,667,126	1,403,972
Gain on disposal of property, plant and equipment	-	5,750
Total other income	2,605,155	2,482,269
Total revenue and other income	6,571,916	7,953,976

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Notes to the Financial Statements

For the Year Ended 30 June 2024

5 Expenses

The result for the year includes the following specific expenses:

	2024	2023
	\$	\$
Depreciation of property, plant and equipment	182,889	177,124
Amortisation of intangible assets	6,844	15,136
Depreciation of right-of-use asset	64,781	87,818
	<u>254,514</u>	<u>280,078</u>

Superannuation - Defined contribution plans

402,409 407,217

Remuneration of the auditor

- Audit of the financial statements

26,600 25,800

- Other services

1,200 1,200

6 Cash and Cash Equivalents

Cash on hand

1,000 1,000

Cash at bank

237,712 844,648

238,712 845,648

7 Trade and Other Receivables

CURRENT

Trade receivables

142,782 37,197

Sundry receivables

650,334 402,821

Other receivables

7,594 46,892

800,710 486,910

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

203,937 147,623

9 Financial Assets

NON-CURRENT

Financial assets at fair value through profit or loss:

- Managed investments, at fair value

29,153,448 30,163,726

Deaf Children Australia

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Notes to the Financial Statements

For the Year Ended 30 June 2024

10 Property, plant and equipment

	2024	2023
	\$	\$
Land and buildings		
At cost	7,232,932	7,232,338
Accumulated depreciation	(3,696,462)	(3,536,184)
Total land and buildings	3,536,470	3,696,154
PLANT AND EQUIPMENT		
Furniture, fixtures and fittings		
At cost	38,440	861,891
Accumulated depreciation	(17,470)	(829,917)
Total plant and equipment	20,970	31,974
Total property, plant and equipment	3,557,440	3,728,128

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 and Buildings	Furniture, Fixtures and Fittings	Total
	\$	\$	\$
Year ended 30 June 2024			
Carrying amount at 1 July 2023	3,696,154	31,974	3,728,128
Additions	-	12,200	12,200
Depreciation expense	(159,684)	(23,204)	(182,888)
Balance at the end of the year	3,536,470	20,970	3,557,440

The property at 597 St Kilda Rd Melbourne is permanently reserved Crown land that DCA holds as trustee under the *Crown land (Reserves) Act 1978*.

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Notes to the Financial Statements

For the Year Ended 30 June 2024

11 Intangible Assets

	2024	2023
	\$	\$
Software license		
Cost	-	223,360
Accumulated amortisation	-	(216,516)
Trademark		
Cost	1,550	-
Total intangible assets	1,550	6,844

Movements in carrying amounts of intangible assets

	Software license	Trademark	Total
	\$	\$	\$
Year ended 30 June 2024			
Carrying amount at 1 July 2023	6,844	-	6,844
Additions	-	1,550	1,550
Amortisation	(6,844)	-	(6,844)
Balance at the end of the year	-	1,550	1,550

12 Leases

Right-of-use assets

	2024
	\$
Year ended 30 June 2024	
Carrying amount as at 1 July 2023	9,403
Depreciation charge	(64,781)
Additions to right-of-use assets	110,756
Balance at end of year	55,378

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 with a further term option of two years exercised under renegotiated terms ending 30 June 2025 and a fixed yearly rent payment increase of 4%. Suite 9/134-136 Cambridge Street, Collingwood property lease had a five year term ending 9 October 2021 with three further term options of one year each of which two were exercised and a fixed yearly rent payment increase of 4%. As of 9 October 2023, this lease is on a month-to-month arrangement. The discount rate (interest rate) utilised in calculating the lease liability at the time of recognition was 3.5%.

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Notes to the Financial Statements

For the Year Ended 30 June 2024

12 Leases

Lease liabilities

	< 1 year \$	1 - 5 years \$	> 5 years \$	Total undiscounted lease liabilities \$	Lease liabilities included in the Statement of Financial Position \$
2024					
Lease Liabilities	61,136	-	-	61,136	59,835
2023					
Lease Liabilities	10,996	-	-	10,996	10,905

Amounts recognised in the statement of profit or loss

	2024 \$	2023 \$
Depreciation charge of right-of-use assets	64,781	87,818
Interest expense on lease liabilities	3,680	2,584
Expense relating to short-term leases	66,471	16,314

13 Trade and Other Payables

Current

Trade payables	420,716	480,448
GST payable	-	112
	420,716	480,560

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.

Deaf Children Australia

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Notes to the Financial Statements

For the Year Ended 30 June 2024

14 Provisions

	2024	2023
	\$	\$
CURRENT		
Provision for employee benefits: long service leave	193,399	164,527
Provision for employee benefits: annual leave	274,075	302,587
	<u>467,474</u>	<u>467,114</u>
NON-CURRENT		
Provision for employee benefits: long service leave	<u>4,015</u>	<u>20,483</u>

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, DCA 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 DCA 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	337,226	545,918
Special purpose grants	157,009	120,229
Other income in advance	1,083	-
Total	<u>495,318</u>	<u>666,147</u>

Income in advance represents income that has been received at 30 June 2024 but the funding was provided for activities for future periods, or funds that have not been expensed on the relevant activity.

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Notes to the Financial Statements

For the Year Ended 30 June 2024

16 Financial Risk Management

DCA'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 CEO and the Finance & Corporate Services Manager operating within guidelines determined by the Audit, Finance and Strategy Committee of the Board and with advice from the external investment portfolio managers.

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:

		2024	2023
		\$	\$
Financial Assets			
- Cash and cash equivalents	6	238,712	845,648
- Financial assets at fair value through profit or loss	9	29,153,448	30,163,726
- Trade and other receivables	7	800,710	486,910
		<u>30,192,870</u>	<u>31,496,284</u>
Financial Liabilities			
- Trade and other payables	13	(420,716)	(480,560)
- Lease liabilities	12	(59,835)	(10,905)
		<u>(480,551)</u>	<u>(491,465)</u>
		<u>29,712,319</u>	<u>31,004,819</u>

17 Key Management Personnel Compensation

The total compensation paid to key management personnel of Company was \$ 680,231 (2023: \$ 534,663).

18 Related Parties

Transactions with related parties

Transactions between related parties includes the following:

Family members of key management personnel are employees of DCA and are remunerated as per the applicable award.

For key management personnel- Refer Note 17.

Incidental costs incurred by the directors of DCA in the process of carrying out their duties as directors are reimbursed.

Deaf Children Australia

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Notes to the Financial Statements

For the Year Ended 30 June 2024

19 Cash Flow Information

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

	2024	2023
	\$	\$
Result for the year	(1,183,060)	(143,206)
Non-cash flows in profit:		
- depreciation and amortisation	254,514	280,078
- fair value movements on investments through profit or loss	(1,667,126)	(1,401,866)
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(313,801)	275,598
- (increase)/decrease in other assets	(56,314)	(134,700)
- (increase)/decrease in inventories	3,804	(46,340)
- increase/(decrease) in income in advance	(170,829)	(11,560)
- increase/(decrease) in trade and other payables	(59,843)	126,134
- increase/(decrease) in provisions	(16,108)	(49,976)
Cash flows from operating activities	(3,208,763)	(1,105,838)

20 Events after the end of the Reporting Period

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of DCA, the results of those operations or the state of affairs of DCA in future financial years.

21 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 Deaf Children Australia declare that:

1. The financial statements and notes, as set out on pages 7 to 25, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:
 - (a) comply with Australian Accounting Standards - Simplified Disclosure Standards; and
 - (b) give a true and fair view of the financial position as at 30 June 2024 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 11th of November 2024

Deaf Children Australia

ABN: 57 108 025 207

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, being a special purpose financial report of Deaf Children Australia (DCA), which comprises the statement of financial position as at 30 June 2024, 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 material accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Deaf Children Australia for the year ended 30 June 2024 is prepared, in all material respects, 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 DCA's financial position as at 30 June 2024 and of its financial performance and financial result of fundraising appeal activities for the year ended; and
- (ii) complying with Australian Accounting Standards - Simplified Disclosure Standards, and Division 60 of the Australian Charities and Not-for-profits Commission Regulations 2022.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of Deaf Children Australia in accordance with the auditor independence requirements of 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 - Simplified Disclosure Standards, ACNC Act, and for such internal control as the directors determines is necessary to enable the preparation of the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing DCA'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 DCA or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

Deaf Children Australia

ABN: 57 108 025 207

Independent Audit Report to the members of Deaf Children Australia

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 DCA's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 DCA'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 reporter, 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 DCA 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 the directors 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.


Saward Dawson

Jeffrey Tulk
Partner

Blackburn

Dated this 12 day of November 2024